

# WEEKLY **Television Digest**

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

## SUMMARY-INDEX OF WEEK'S NEWS

MAY 2 1960

**WITH THIS ISSUE:** Special Supplement—Financial Data on TV-Electronics Companies

### Networks

**NET FALL SALES LEVELS ARE AHEAD** of last year with all 3 networks reporting near-80%-sell-outs last week. Most significant budget shifts are from specials to bread-&-butter shows (pp. 2 & 5). **FEB. AHEAD 13.7%** as network TV gross-time billings gain to \$55,598,975, TvB reports. Jan.-Feb. cumulative billings totaled \$113.3 million, or 12.2% ahead of year ago's \$100.9 million (p. 6).

### Congress

**"THE UNIVERSE OF DICK CLARK"** is explored by House probers who learn ABC-TV star makes big money but fail to shake his denials that he's taken payola (p. 2).

**SENATORS AIR GRIPES AT LEE HEARING**, complaining about political-time policy, public-service programs, vhf boosters, etc., but Lee's chances still good. Mills held up by technicality (p. 3).

**HARRIS REVIVES SPECTRUM CONTROL**, reiterating belief that Congress must act to put all allocations under one group (p. 11).

### Advertising

**NET TV GAINED 11%** as the national ad volume jumped 17% in Feb. over Feb. 1959, the latest Printers' Ink index shows (p. 7).

**1959 TV EXPENDITURES** by product classification, embracing network & spot combined, compiled by TvB (p. 8).

### Stations

**MAGNUSON'S ETV TAX** would levy 1% federal excise on time sales, funds to go to ETV stations through FCC & HEW (p. 11).

### Manufacturing & Distribution

**AUTO-TV PARALLEL:** Analogy between TV & auto sales continues to show striking similarity of sales patterns (p. 16).

**NEW-LINE CALENDAR** gives dates & locations of showings of 1961 TV-radio-stereo lines by a score of major manufacturers (p. 17).

**SHAKY TV PRICES** as result of liquidations of 17- & 21-in. models reported by some large manufacturers, who agree sales are high, see improvement by summer (p. 18 & 20).

**WORLD MARKET FIGHT:** IGE foreign-trade expert warns U.S. must hold & expand its share of world markets or face danger of losing domestic trade as well to foreign competition (p. 19).

### Film & Tape

**WGAW REJECTS NEW OFFER** while WGAE accepts same offer. National referendum may be held as result; outlook dim for end of 15-week-old writers strike vs. TV film producers (p. 12).

### ETV

**AIRBORNE ETV REPORT:** Midwest Program on Airborne TV Instruction enlists 18 colleges & universities and equal number of "ground crews" to administer programs in 6-state area (p. 14).

### Finance

**SKIATRON PROSPECTS DIM** as outlined by lawyers for pay-TV firm & Matty Fox in stipulation ending SEC hearings (p. 21).

### Other Departments

**AUXILIARY SERVICES** (p. 10). **FCC** (p. 14). **PERSONALS** (p. 15).

**FINANCIAL DATA ON ELECTRONICS FIRMS:** Apace with the rapid growth of TV-electronics industry in 1960, our annually updated tabulation of financial data on leading publicly-owned companies in the field—included with this issue—has been vastly expanded, now detailing 152 companies.

Whatever your interest in the TV-electronics field, we believe you'll find our Special Supplement No. 5 of great use and continue to refer to it throughout the year. It's compiled for us by Greenebaum & Associates, financial consultant firm specializing in electronics, headed by Edgar N. Greenebaum Jr. It gives a capsule financial history of each company from 1950 through 1959 or first-quarter 1960.

Tabulations include all top publicly-owned companies in broadcasting & consumer electronics fields as well as those in components, industrial & military electronics. In addition, we've included in the new Supplement electronics companies recommended by financial researcher George Edgar (of Carl M. Loeb, Rhoades & Co.) in our Special Supplement of Feb. 15, 1960, "Investing in Applied Science." The Feb. Supplement, incidentally, has been one of most popular we've ever printed—and we've already serviced requests for more than 35,000 extra reprints.

Extra copies of this week's Supplement are available at \$1 each, 10 for \$7.50, and 25 for \$12.50. We have ordered another press run of the Feb. 15 Supplement, "Investing in Applied Science," and can supply reprints of this analysis of electronics stocks at 50c each, 10 copies for \$3, 25 for \$5.

**BOOM IN FALL NETWORK SALES:** It's the earliest fall sales season on record, all 3 networks tell us. Although situation is still changing, four-fifths of prime-time network programs & time slots were locked up by last week.

Various reasons underlie spring sales rush, network executives explain. A few: There's the normal fear on the part of major advertisers of being left out of fall program-&time selections. All 3 networks are much more in driver's seat on program control this year, and lined up their schedules early amidst major sales push. Several advertisers are making important TV program & budget shifts this year, and agencies wanted to put them into fast action.

Unsold time periods & shows are becoming scarce. ABC-TV has only three 30-min. periods open, although still on its unsold list are a sprinkling of participations in 60-min. shows. CBS-TV has four 30-min. open slots, and a few availabilities in CBS-controlled or produced packages. NBC-TV has largest number of unsold time periods (4.5 hours altogether), a few participation slots, but is currently in a strong sales spurt and hopes to close the gaps soon.

Usual inter-network "raiding" for sponsors is going on at a brisk pace. ABC-TV has already bagged nearly \$8 million in Gillette TV sports budgets, largely from NBC-TV, for the coming season. CBS-TV persuaded Plymouth to shift a sizable budget over from NBC-TV. And NBC-TV sold Pittsburgh Plate Glass Co. on a shift from CBS-TV's "Garry Moore Show" to participations in "Laramie" and "Michael Shayne." And so on.

Program strategies are also changing, with a significant trend developing in shifts from entertainment specials & big-budget variety shows to mass-appeal filmed fare. Examples: A.C. spark plugs, a sponsor this season of Art Carney specials on NBC-TV, is shifting to ABC-TV buys in "Cheyenne," "The Islanders" and other film shows. Chevrolet is dropping "The Pat Boone Show" on ABC-TV and adding a half-sponsorship of a new Screen Gems adventure series, "Route 66," on CBS-TV. Rexall, one of the pioneer sponsors of NBC specials, is shifting to alternate-week sponsorship of a 30-min. film show.

**'THE UNIVERSE OF DICK CLARK':** Audience ratings for House payola investigators' big Dick Clark special didn't come up to their expectations (Vol. 16:17 p9) last week—but it was a fast-paced show which included spectacular demonstrations of at least 2 things: TV world of ABC-TV's Clark is big and it has glittered with money.

Evidence that Clark also has been biggest payola practitioner of all U. S. disc jockeys—which Commerce Legislative Oversight Subcommittee tried hard to establish in 4 days of public & private hearings—was something else again. Proof of payola payments depended on definition of payola—and Subcommittee, baffled by semantics, never settled on one.

"I have never taken payola," young (31) Clark himself said at outset of 34-page statement when he finally got chance to make personal appearance at week's end in big House Caucus Room, where spectators' seats went unfilled all week. He complained he had been "convicted, condemned and denounced" during proceedings, but: "I have never agreed to play a record or have an artist perform on a radio or TV show in return for a payment in cash or any other consideration."

It was the word "agreed" that split Clark & Subcommittee on meaning of payola. Subcommittee counsel Robert W. Lishman protested impatiently that word had been similarly invoked in earlier hearings by score of other jockeys. They denied they got payola, contending payments they did receive from record firms was for "consultation" & other services—not for any deal for playing firms' products. There just seems to be "some kind of telepathic understanding" between jockeys & record promoters, Lishman said. He suggested that star of ABC-TV's "American Bandstand" & "The Dick Clark Show" was no different from other suspect jockeys—except in his corporate set-up & size of income.

"I think the crime I have committed, if any, is that I made a lot of money with very little investment," Clark retorted. "The music industry," he explained at one point, "is the only business I have any personal knowledge of where a man can invest less than \$500 and profit by as much as \$50,000 to \$100,000 from one single record. And anyone in any walk of life has this opportunity whether they are a broadcaster or not. I think this explains why there are over 2,000 record companies in existence." Clark didn't question earlier testimony by co-owner Harry Finfer that in one enterprise alone—Jamie Record Co.—he invested \$125 in 1957, came out with total of \$31,575 when he sold his interest late last year. That was when ABC-TV issued ultimatum that Clark get off network or out of music publishing business. But Clark said he had no knowledge of about \$15,000 which Finfer admitted had been disbursed by Jamie to jockeys across country.

Clark also acknowledged financial accuracy of one Subcommittee document showing that in 1957-59 alone he: (1) Invested \$53,773 in various music & other firms (he himself listed 33 separate companies in which he had had interests). (2) Increased his corporate equity over investments to \$409,020. (3) Was listed for \$165,570 in salary above & beyond his network job. (4) Received \$236,604 cash in royalties, etc.

"All I can say," cut in Rep. Derounian (R-N.Y.), who said Clark also grossed \$12 million annually for ABC-TV, "is that you say you didn't get payola but you did get an awful lot of royola."

Basis of Subcommittee payola case against Clark was provided by Clark himself. It was elaborate "analysis of record plays" on "American Bandstand" prepared at Clark's order by Computech, N.Y. data-processing firm, to show whether show's programming favored records in which Clark had financial stake. It didn't, Computech reported. And Computech vp Bernard Goldstein, who presented elaborate colored charts, complete with mathematical equations, boasted that 300 pounds of records accumulated for study represented "the universe of Dick Clark, the complete census of everything that took place on that program."

Computech's study quickly boomeranged. Brashly confident when he took stand early in hearings, Goldstein testified that analysis (including IBM processing of 15,000 file cards) showed that from Aug. 5, 1957 to Nov. 30, 1959 Clark could have profited from no more than 27% of records played on his show. And in any event, Goldstein said, "playing of interest records was consistent with the popularity of these records based upon independent & authoritative popularity ratings." But Subcommittee brought on statisticians from Census Bureau and Bureau of Labor Statistics who said Computech's findings weren't supported by its own facts. And Georgetown U. instructor Joseph L. Tryon, hired by Subcommittee to make "independent" analysis of Computech's statistics, testified that Clark played "interest" records twice as often as others.

Clark also was challenged on no-payola affidavit he submitted to ABC-TV last November when he was forced to divest himself of interests in music firms. Lishman & Derounian, in particular, contended that Clark's affidavit was looser than standard form required by network from other jockeys. And Rep. Bennett (R-Mich.) suggested Clark document was "cooked up by you & ABC as a public-relations operation."

Courtesy was shown Clark by Subcommittee Chmn. Harris (D-Ark.), however. Clark was protected from public gaze in office next to big hearing room before he was called to stand. At lunch recess April 29, Harris ordered everybody else in room to stay put while Capitol policeman escorted Clark & his counsel ex-FCC Chmn. Paul Porter out through back door—away from TV cameramen massed just outside main door.

Clark was ordered back for more testimony May 2. He'll be followed May 3 by AB-PT & ABC Pres. Leonard H. Goldenson & gen. mgr. Ben Hoberman of ABC's radio WABC N.Y. Payola hearings had been scheduled to wind up last week, making way for now-postponed FPC hearings by Subcommittee this week. But preliminaries to appearance of headliner Clark—who had asked to be heard first—took up too much time. They included testimony by Billboard music editor Paul Ackerman, who said payola has long tradition in music business, that it's time industry itself did something about it.

**SENATORS AIR GRIPES AT LEE HEARING:** FCC Comr. Robert E. Lee's chances for Senate confirmation of another 7-year term are still excellent after his hearing before Commerce Committee April 27, although he had the tough luck of serving as a handy sounding board for various Senatorial gripes.

Prospects of nominee Edward K. Mills, on other hand, are somewhat uncertain at the moment because of a legal technicality. He's beneficiary of a trust, over which he has no control, and trustees have refused to sell trust's GE & Westinghouse stock. Mills said he doesn't know whether this disqualifies him because of restrictions in Communications Act. Chmn. Magnuson (D-Wash.) said Committee doesn't know either, excused Mills and said he'd ask Attorney General for opinion. It's good guess that impediment will be removed, one way or another. Earl Kintner, up for reappointment as FTC chairman, will be examined May 4. He was scheduled last week but Committee didn't get to him.

Lee's quiz was surprisingly vigorous, ran about 1½ hours. Consensus was that he handled himself well. Major topics covered:

(1) Political time. Sen. Yarborough (D-Tex.), chmn. of political "watchdog" subcommittee designed primarily to give candidates fair shake (Vol. 15:38 p3), complained at great length about FCC policy. When he ran for governor in Texas, he said, station-owning newspapers boosted his opponent. He stated that one offered to sell each candidate only 15 minutes during campaign. "Is that fair? Is that enough time?", he asked Lee. "Sounds like too little to me," Lee said. He then said Commission should, at renewal time, judge

whether stations have offered too little or too much political time. Several Senators, particularly Pastore (D-R.I.), were dissatisfied, indicated they'd like FCC to act immediately, start revocation proceedings, etc.

Yarborough was upset by Waco weathercaster case, in which FCC said KWTX-TV didn't need to give time to opponent of its weathercaster (Vol. 16:17 p4). He brushed aside Lee's statement that "it's the law" because court upheld Commission, saying: "Do you think that's what Congress meant? I'm sure this Committee doesn't." Caught in switches, Lee volunteered view that weathercaster does get "important exposure." Sen. Schoeppel (R-Kan.) said it looks as if KWTX engaged in a "subterfuge."

Second member of watchdog group, Sen. McGee (D-Wyo.), was worked up about Comr. Cross's statement at NAB convention to effect that stations can limit candidates to mere 5 min., said problem is one for Congress to consider but that he'd give stations discretion, then examine their performance over a period of time. Minority watchdog Sen. Scott (R-Pa.) said he first had misgivings about establishing the Subcommittee but now considers it "important." Sen. Cotton (R-N.H.) complained that one telecaster in his state refuses to sell or give political time. Yarborough wound up by saying he had hoped FCC would watch such matters for Congress but that it now "looks like we've got to watch the FCC."

(2) Public-service programs. There was much discussion of "public-service" broadcasts, but during hearing, no Senator ever attempted to define the expression. Magnuson wanted to know "what percentage" of time FCC requires a station to give to public service, how much it "monitors" such programs. Lee reported that Commission examines renewal forms every 3 years, doesn't physically monitor or have a fixed formula.

Magnuson complained that Commission never asks for money for monitoring. Said Lee: "It's obvious that more attention should be given. We're thinking about it." He said he believes that Commission should ask stations how they plan to serve their communities, shouldn't lay down any "arbitrary figures."

Monroney (D-Okla.) complained that FCC gives stations no public-service guide, that "Blue Book" is out of print. Yarborough urged Commission to set up public-service "standards."

(3) Vhf boosters. Yarborough & Pastore tried repeatedly to get Lee to commit himself to break FCC's 3-3 deadlock in vote in favor of letting new boosters be built. Lee insisted that uhf translators can do job for new service but that he'd favor "registering" existing vhf's and letting them be. However, he said he'll meet booster operators in Butte this month, make on-the-spot study. Pastore still wouldn't let up. Finally, Lee said with a laugh: "Senator, in my particularly delicate position, if you asked me to jump, I'd just ask 'how high?' Maybe they'll change my mind in Butte."

(4) Educational TV. Magnuson uncorked a surprise—saying he plans to introduce bill to levy 1% excise tax on TV advertising, proceeds to go to ETV stations (for details, see p. 11). He's sitting back now and waiting for an industry storm. Yarborough & Cotton commended Commission for not yielding to demand that educational channels be turned over to commercial use.

(5) Allocations. Lee reiterated his view that more vhf channels won't come from military, that uhf must be implemented, that he hopes Senate will join House in voting for the \$2 million FCC N.Y. uhf project (Vol. 16:17 p3). Said Pastore: "Lee may be wrong about uhf. I don't know. But he's pushing it with vigor."

Whole hearing was a complaint session, by & large, with assertions that FCC has let things "drift & drift" on payola, quiz-rigging, political time, public-service programming, boosters. When & if Senators get to questioning Mills, he should be able to deflect the tough ones by pleading lack of detailed knowledge and by voicing an acceptable set of moral concepts. Newcomers always do. He made good start by giving his financial picture, was commended for "frankness."

## Networks

**CBS-TV's Coastal Cutback:** CBS-TV, drastically reducing its quantity of live TV from Television City in Hollywood, is quietly pink-slipping personnel at its huge Beverly-Fairfax plant. The center which once housed such series as *Playhouse 90*, *Climax* and *Studio One*, will have for next season only Jack Benny and Red Skelton in prime time and even these live shows will have film segments. Benny plans to film 18 and Skelton may tape some of his at the Charles Chaplin lot he recently acquired. As a result of

this virtual demise of live TV in prime time, CBS-TV has dismissed 20 IBEW technicians, and ordered personnel cutbacks in a number of departments, but spokesmen for the network told us it would absorb as many as possible into other operations.

Although the outlook for nighttime live TV is bleak, the network plans to hypo the live daytime schedule. Jack Linkletter's *On the Go* show may not return next season, but discussions are being held to move *The Verdict Is Yours* from N.Y. and to originate a pair of soapers. Also there will be *The Art Linkletter Show*, *For Better or For Worse* and *The Red Rowe Show*.

## NETWORK SALES ACTIVITY

### ABC-TV

- Lawrence Welk Show, Sat. 9-10 p.m.; The Islanders, Sun. 9:30-10:30 p.m.; Adventures in Paradise, Mon. 9:30-10:30 p.m.; eff. fall 1960, co-sponsorships.  
*J. B. Williams* (Parkson)
- American Bandstand, Mon.-Fri. 4-5:30 p.m., Aug., partics.  
*Jantzen* (Hockaday Associates)  
*Blue Bell* (N. W. Ayer)
- Black Saddle, Fri. 10:30-11 p.m., eff. July 1, participations.  
*Carter* (Ted Bates)

### CBS-TV

- Triple Crown Races, Sat. afternoon specials, eff. May-June 1960, co-sponsorship.  
*Joseph Schilitz* (J. Walter Thompson)
- For Pete's Sake, Mon. 8-8:30 p.m., eff. fall 1960, alt. wk. sponsorships.  
*Goodyear* (Young & Rubicam)  
*Carnation* (Erwin Wasey, R&R)
- Route 66, Fri. 8:30-9:30 p.m., fall, alt. wk. sponsorships.  
*Sterling Drug* (Dancer-Fitzg.-Sample)  
*Philip Morris* (Leo Burnett)
- Ann Sothorn Show, Thurs. 9:30-10 p.m., fall, renewal.  
*General Foods* (Benton & Bowles)  
New sponsorship.  
*S. C. Johnson* (Benton & Bowles)
- I Love Lucy, daily 11-11:30 a.m., partics. now in effect.  
*Eastman Chemical Products* (Doherty, Clifford, Steers & Shenfield)
- Tom Ewell Show, Tues. 8:30-9 p.m., eff. fall 1960, alt. wk.  
*Quaker Oats* (J. Walter Thompson)
- PGA Golf Tournament, July 23, 24, half sponsorship.  
*Williamson Dickie Mfg.* (Fuller & Smith & Ross)
- Mrs. America Contest, July, half-sponsorship.  
*RCA Whirlpool* (Kenyon & Eckhardt)
- Rawhide, Fri. 7:30-8:30 p.m., eff. June, one-thirds.  
*Mutual of Omaha* (Bozell & Jacobs)  
*Chicken of the Sea* (Erwin Wasey, R&R)
- Daytime programming, eff. June, alt. wk. quarter-hrs.  
*Toni* (Tatham-Laird)
- Reckoning, Wed. 7:30-8:30 p.m., eff. June, alt. one-third sponsorship; various daytime programming.  
*Esso* (McCann-Erickson)
- Checkmate, Sat. 8:30-9:30 p.m., eff. fall 1960, one-thirds.  
*Brown & Williamson Tobacco* (Ted Bates)  
*Lever Bros.* (product undecided)  
*Kimberly Clark* (product undecided)

### NBC-TV

- The Tall Man, Sat. eve., eff. fall 1960, alt. wk. sponsorship.  
*R. J. Reynolds Tobacco* (William Esty)
- Bachelor Father, Thurs. 9-9:30 p.m., eff. 1960-1961 season, sponsorship renewals.  
*American Tobacco* (Lawrence Gumbinner)  
*Whitehall Labs* (Ted Bates)
- Tales of Wells Fargo, Mon. 8:30-9 p.m., eff. 1960-1961 season, alt. wk. sponsorship renewal.  
*American Tobacco* (SSC&B)
- Klondike, Mon. 9-9:30 p.m., fall 1960, alt. wk. sponsorship.  
*R. J. Reynolds* (William Esty)
- Tab Hunter Show, Sun. 8:30-9 p.m., fall, half sponsorship.  
*Westclox* (BBDO)
- Peter Loves Mary, Wed. 10-10:30 p.m., eff. fall 1960, full sponsorship.  
*Procter & Gamble* (Benton & Bowles)

### More about

**ALL NETS CLOSE TO SELL-OUT:** Network sales executives reported to us last week the details of TV's unusual selling season—unusual, that is, for the early success it is achieving (see p. 2). Highlights:

ABC-TV: "We're slightly over 80% sold out at night and expect to be 90% by mid-May," reported sales vp William Mullen. "We are way ahead in sales over this time last year, and we have no intention of slowing up our effort until we are SRO."

Still available in ABC-TV's fall nighttime schedule are minutes in 7 of the 14 hour shows, including *The Islanders*, *Naked City*, *Walt Disney Presents*, *Cheyenne*, *Surfside 6*, *Roaring 20s*, and *Adventures in Paradise*. Half-hours open include *Bugs Bunny*, *Room for One More* and *The Churchill Memoirs*. An untitled Warner Bros. anthology, Thurs. 10:30-11 p.m., is also available. *The Dick Clark Show*, Sat. 7-7:30 p.m., hasn't as yet been renewed by sponsor Beechnut Lifesavers, but "we see no reason for Beechnut dropping Clark," Mullen said.

New-to-ABC sponsors next fall will include J. B. Williams, United Motors Service, A. C. spark plugs, Gillette, Bristol-Myers and Du Pont.

CBS-TV: With just 4 half-hours open and a few 60-min. participation shows available, CBS-TV came closest last week to hanging up the "sold out" shingle. The network's sales dept. expects to reach a sell-out "in 10 days," said CBS-TV vp for network sales Tom Dawson.

Open time periods in CBS-TV prime hours are Thurs. 7:30-8 p.m. & 10-10:30 p.m. Both prime-time news & public affairs series, *Face the Nation*, Mon. 10:30-11 p.m. and an untitled news-in-depth program Fri. 10:30-11 p.m., are still unsponsored. Pencilled-in for Fri. 9:30-10 p.m., but without a backer, is *Danger Man*, an ITC adventure series.

Significant new CBS-TV buys for next season include 2 leading auto firms, Chevrolet and Plymouth. Chevy, which dropped ABC-TV's *Pat Boone Show*, has bought half of the 60-min. *Route 66* series, Fri. 8:30-9:30 p.m. Plymouth has moved its billing from NBC-TV's *Steve Allen Show* and into Garry Moore's Tue. 10-11 p.m. variety series. Plymouth will be back on CBS after 6 years' absence (1954, *That's My Boy*) and Chevrolet's current purchase follows a one-shot Red Skelton special last Nov. Also returning to CBS-TV's nighttime list is Quaker Oats, with a Tue. 8:30-9 p.m. Tom Ewell series. Quaker had *Sgt. Preston of the Yukon* on CBS-TV, dropped it in 1958.

NBC-TV: Also in the 80%-sold-out bracket last week, NBC-TV is "40% ahead in nighttime sales this year over last," we were told by sales vp Don Durgin. Two 30-min. periods (Wed. 10:30-11 p.m. and Sun. 10:30-11 p.m.) remain unprogrammed, and NBC-TV is looking for sponsorship of *The Groucho Marx Show*, Thurs. 10-10:30 p.m.; *Dante*, Fri. 8:30-9 p.m.; *World Wide 60*, Sat. 9:30-10:30 p.m.; and *The Loretta Young Show*, Sun. 10-10:30 p.m. There is also a tentative series of cultural specials scheduled for Tue., 10-11 p.m., with no sponsor interest as yet.

Two significant budget shifts by Westclox and Rexall are in line with the network's cutback in entertainment specials. Westclox, sponsor of "Miracle on 34th St." (SSC&B) and "The Philadelphia Story" earlier this year, has bought alt. wks. of *Tab Hunter Show*, Sun. 8:30-9 p.m.

Rexall, which also had scattered variety & dramatic specials, has bought alt. wks. of *National Velvet*, Sun., 8-8:30.

Pittsburgh Plate Glass, previously with CBS-TV on *The Garry Moore Show*, has bought thirds in *Laramie* (Tue. 7:30-8:30 p.m.) and *Michael Shayne*, Sat. 10-11 p.m.) Alberto-Culver, at one time a small participating sponsor, is taking its biggest TV plunge with alt. wks. of *This Is Your Life*, Thur. 10:30-11 p.m. and *Barbara Stanwyck Theatre*, Mon. 10-10:30 p.m. A-C reportedly is seeking still another half-hour show.

\* \* \*

Recession may hit TV in '61, stated a special forecast distributed last week by TV-Radio Management Corp. Pres. Richard P. Doherty to client stations of H-R rep firm. Doherty warned stations to develop "a solid market position" and to build up "strong financial reserves" in anticipation of 1961 ad-spending cutbacks. Meanwhile, Doherty saw no such problems for 1960, predicting an 8-10% rise in network TV revenue, an 11-13% increase in national-regional spot TV, and a gain of 5-8% in local TV sales.

Hollywood thieves robbed CBS-TV of \$24,000 worth of camera equipment. They broke into a locked station wagon and took equipment stored there by Charles Mack, chief cameraman of Edward R. Murrow CBS productions. He is in Cal. for a series of Murrow TV documentaries.

Longer daytime breaks will be granted May 9 by CBS-TV to affiliates. Station breaks will be 70-sec. instead of the usual 30-sec. length and will be adjacent to "selected sustaining quarter-hours in the Mon.-Fri. schedule."

### Network Television Billings

February 1960 and January-February 1960

For Jan. report, see TELEVISION DIGEST, Vol. 16:15 p13

**Feb. Ahead by 13.7%** Network TV continued spiraling in young 1960 as February gross-time billings climbed to \$55,598,975. This was a healthy 13.7% ahead of Feb.-1959's \$48,884,508 volume, reported TvB. Billings for the first 2 months of 1960 totaled \$113,317,240—12.2% ahead of the corresponding \$100,906,687 volume in 1959.

CBS led the networks in dollar volume, both in Feb. (\$22,998,153) and year-to-date (\$46,475,511). ABC continued its pattern of registering the largest percentage gains: 26.5% for Feb.-over-Feb. billings, 25.5% for 1960-over-1959 cumulative. Feb. nighttime billings for the 3 networks increased 20.4% to \$38,850,935 from \$32,272,681 in Feb. 1959 Daytime billings inched ahead .8% to \$16,748,040 from \$16,611,827 a year ago.

#### NETWORK TELEVISION

	Feb. 1960	Feb. 1959	% change	Jan.-Feb. 1960	Jan.-Feb. 1959	% change
ABC	\$12,677,110	\$10,024,460	+25.6	\$ 25,937,120	\$ 20,671,538	+25.5
CBS	22,998,153	20,806,220	+10.5	46,475,511	42,935,468	+ 8.2
NBC	19,923,712	18,053,828	+10.4	40,904,609	37,353,681	+ 9.5
<b>Total</b>	<b>\$55,598,975</b>	<b>\$48,884,508</b>	<b>+13.7</b>	<b>\$113,317,240</b>	<b>\$100,960,687</b>	<b>+12.2</b>

#### 1960 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$13,260,010	\$23,477,358	\$20,980,897	\$57,718,256
February	12,677,110	22,998,153	19,923,712	55,598,975

Note: Figures revised as of April 13, 1960. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates or before frequency or cash discounts.

**That Humphrey-Kennedy Debate:** There's still no guarantee U.S. viewers will be treated to a networked Lincoln-Douglas debate between Democratic Sens. John F. Kennedy & Hubert H. Humphrey on the eve of the W.Va. primary election, although all 3 networks last week were trying to snare the political pair for TV appearances. Network by network, the situation shapes like this:

ABC-TV: News & public affairs vp John Daly offered the candidates an opportunity to appear on the network's Sun. 3-4 p.m. *Open Hearing* series in what would be a special news interview, rather than a straight debate (thus avoiding equal-time claims from other Democrats under Sec. 315; the series is scheduled regularly, and its format is under ABC's control). At week's end, neither candidate had accepted, but ABC's offer was still open.

CBS-TV: CBS news vp Robert E. Lang, also concerned with Sec. 315, notified the Charleston (W. Va.) *Gazette*, which had volunteered to feed CBS a 60-min. interview-debate telecast with Humphrey & Kennedy, that CBS was politely declining. It would be "impractical," Lang wired the newspaper, for CBS to carry the show as a debate because "it is not exempt under Sec. 315 from equal-time requirements." As an interview (with *Gazette* newsmen firing the questions) the show was "also not exempt," CBS felt, because "content & format" are "not determined by the broadcaster." CBS-TV, however, offered Humphrey & Kennedy May 8 guest shots on *Face the Nation* to be interviewed by CBS newsmen. At week's end, Humphrey had accepted, but Kennedy had not.

NBC-TV: Taking the boldest approach of any network, NBC is willing to chance Sec. 315's equal-time requirements for a 2-man debate, and has already gone on record with such an offer (Vol. 16:17 p8). Last week, however, NBC was changing its mind about taking a debate feed offered by WTRF-TV Wheeling, W.Va., feeling that the station's proposed show would be more of an interview than a debate, and made its own firm offer of a May 4 prime-time hour for an NBC-produced 2-man political clash. The offer was accepted by the Senatorial rivals but on condition that the NBC-TV affiliates in the area be blacked out. To this, NBC said "no," and things were back where they started, with prospects for an NBC debate fairly dim.

**State of Convention Sponsorship:** CBS-TV convention coverage will use a 312-page direction plan, evolved from 2 years of research, dir. of special events Paul Levitan told RTES last week. Nearly 22 tons of equipment will be installed in CBS News convention hq, the convention halls, and in rear-echelon control centers. A combined 6-camera network pool will cover convention floor activity, employing hand-held TV camera-transmitters and 2-way communication equipment.

Sponsor Westinghouse plans to use live TV & radio commercials where possible, not on a fixed schedule, said J. Gilbert Baird, major appliances sales promotion mgr. Saleslady Betty Furness will interject, where possible, timely ad libs and changes in plan when a commercial subject "might be inappropriate to the subject under discussion." Tape & film selling also will be employed. "We will do a commercial only when convention inactivity permits," Declared Baird: "Convention coverage is good for you because you are a living part of mass political education [and] because people see & hear your story, [and] take action at the retail level."

Late last week neither ABC nor NBC had as yet lined up convention sponsorship.

## Advertising

**Net TV Up 11% in Feb:** The nation's ad volume spurred to a 17% gain in Feb. over Feb. 1959. All major media except network radio shared in the increase according to the latest *Printers' Ink* index. It also shows network TV ahead across the board—11% above a year ago; 5% above the preceding month; 10% ahead for year-to-date. Network radio was down 7% from Feb. 1959, down 21% cumulatively—but it topped all other media in Feb.-over-Jan. gains with a 24% increase. Total magazines led all major media in Feb.-over-Feb. gains—up 14%. They tied with newspapers at 13% for cumulative leadership.

Medium	Index		% Change from		
	Feb. 1960	Feb. 1959	1 month ago	1 year ago	% Cumulative Change
General Index .....	239	214	+ 5	+17	+10
Total Magazines .....	189	165	+ 4	+14	+13
Weekly .....	218	173	+12	+26	+19
Women's .....	131	137	- 7	- 4	+ 4
General Monthly .....	224	217	- 2	+ 3	+ 7
Farm .....	110	94	-10	+17	+14
Newspapers .....	207	185	+ 2	+12	+13
Network Television .....	495	446	+ 5	+11	+10
Network Radio .....	26	28	+24	- 7	-21
Business Papers .....	246	222	+ 9	+ 8	+ 5
Outdoor .....	164	147	+11	+12	+10
	4th Qtr. '59	4th Qtr. '58	3rd Qtr. '59	1 year ago	
Spot Television .....	742	683	+ 2	+ 9	.....

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.

**6 Steps to Success:** Top-selling TV commercials have been analyzed for *Television* magazine by Gallup & Robinson, research firm, which finds that successful TV campaigns answer "yes" to the following 6 questions: (1) Does the lead-in provide an important reason for the viewer to attend? (2) Does the execution establish viewer focus on the key concepts? (3) Does the commercial demonstrate a competitive brand advantage? (4) Has the commercial time been allocated in relation to the complexity of each concept? (5) Does the commercial translate the key concept in terms of the viewer's benefit? (6) Is enough of the commercial's story communicated from the video? G&R's survey compares the sales efficiency of TV campaigns—"the sales-per-dollar invested per campaign"—to find the top sellers, and analyses a commercial's ingredients by measuring the viewer's "pattern of recall" 24 hours after seeing the commercial.

TV-sold U.S. compact cars have made quick strides in gaining strong consumer recognition, a recent study of more than 10,000 American adults by R. H. Bruskin Associates reveals. Last July, only 27% of potential buyers had heard of Chevrolet's Corvair, and only 5% could identify it correctly. In Jan. 1960, Corvair awareness had soared to 77%, and 71% gave the correct identification. A comparable jump in awareness (from 23% to 75%) and identification (from 3% to 68%) was scored by Ford's Falcon, also pushed heavily on TV. Chrysler's Valiant, not promoted as heavily on TV as the other 2 compacts, made smaller gains in awareness (from 12% to 56%) and in identification (from 1% to 45%).

Wesley I. Nunn, retired after more than 23 years as Standard Oil (Ind.) ad mgr., received a citation for "dynamic service to one of the country's major advertisers" from the Best. Advertising Club of Chicago.

**Coffee, Cameras & Camisoles:** From TvB's supply of industry-category reports on 1959 TV spending came another trio last week:

**Coffee:** TV will spur "new increases" in coffee drinking during the next decade, said TvB Pres. Norman E. Cash, citing the fact that "company after company utilizes TV for the big selling job" among coffee firms. Gross TV time billings in this industry stood at \$34.9 million last year (spot exceeding \$24.9 & network topping \$9.9 million). General Foods was the year's category leader, with gross TV time billings of over \$13.3 million—including an 8-wk. spot campaign in Seattle for new Western Blend Maxwell House coffee which boosted brand awareness more than 50%, purchasing by 98%. Runner-up was Standard Brands, with \$4 million for TV time for Chase & Sanborn, followed by spot-using J. A. Folger with \$3.7 million.

**Photo supplies:** Top ad medium for cameras & photo gear was TV, with gross time billing of \$10.2 million. This represented an 11.5% increase over 1958. Sample success story: Polaroid Corp., which spent only \$200,000 for TV time 5 years ago, but used \$1.7 million for gross time in 1959 to merchandise its fast-selling picture-in-a-minute cameras. Category leader is Eastman Kodak, with gross-time spending exceeding \$5.2 million. Other TV-active firms: Bell & Howell, Ansco, Revere, and GE Flash Bulb Div. Expected 1960 U.S. consumer spending for cameras & photo supplies: \$2.3 billion—up nearly 10% from 1959.

**Soft goods, apparel:** Clothing, footwear & hosiery companies poured \$22.8 million into gross TV time—mostly in spot—an increase of 33% over 1958. Not included in this total: "many millions of dollars" spent by retail stores in TV for their own campaigns, or in co-op drives with national apparel advertisers. Biggest national TV spender in the soft-goods field was International Latex Co., with 100%-spot gross time billings of \$4.9 million. Not far behind was United Merchants & Mfrs. Inc. with \$3.8 million in spot TV to provide umbrella-like coverage within retail trading areas for its chain of Robert Hall stores. Network leader in the field was DuPont, with \$1.7 million of its \$2 million TV spending going for network, rest for spot.

Anti-TV, pro-print campaigns continued on 2 media fronts last week. At the Assn. of Newspaper Publishers' Bureau of Advertising meeting in N.Y. April 27 outgoing Chmn. Louis A. Wil Jr., stated: "Our 1960 armament & weapons look different than those of 1950, because we are fighting another kind of war." A new phase of ANPA's promotion program, "target account selling" will soon get underway, he said. "The bureau's plans committee will go in and see specific advertisers & agencies with specific uses of our medium," he explained. Meanwhile, the Magazine Advertising Bureau sent advertisers, agencies and membership a hard-cover, 227-page edition of its "profitable difference," presentation (Vol. 15:41 p13).

"Agencymen think that stations are passing up a cogent argument when they fail to emphasize the number of spots they can buy for the price of a full page ad in a local newspaper. If stations, say these agency people, think that retailers, or even regional advertisers, are fully aware of this, they're much mistaken. Their point: the newspaper-oriented advertiser should be approached from the viewpoint of unit comparison: that for the cost of a page he can get, say 10 TV spots or 20 minute commercials in radio."—*Sponsor*.





**ADS IMPROVE, SAYS KINTNER:** Praise for "initiative, daring and disregard for moss-draped traditions" displayed by admen came last week from the govt.'s chief scourge of deceptive TV commercials—FTC Chmn. Earl W. Kintner.

"It may surprise you," he told the Los Angeles Better Business Bureau, "but the Federal Trade Commission is no finger-wagging old lady who disapproves of enthusiastic advertising. Nothing is healthier for our economy than aggressive selling—and the more persuasive & compelling it is, the better."

Moreover, Kintner said in a follow-up speech prepared for a May 2 meeting of the N.Y. Chapter of the Assn. of Industrial Advertisers: "Significant improvements in the tone of current advertising" have followed in the wake of TV quiz and TV & radio payola scandals which "brought to the surface a public distrust of advertising wider than many informed observers had suspected." He ascribed this betterment to a "combination of intelligent self-interest & basic desire for self-respect among those at all levels of managerial responsibility."

Kintner added that FTC recognizes that in its campaigns against "distortion, deception and false claims" there are dangers of "harming the carefully cultivated plants by the misapplication of weed killer." He said it "would be a catastrophe not only to advertising but to our entire economic system" if the whole industry is harmed by FTC actions against the "jackals" & "gymps."

"Much has been said about the sins of advertisers, their agencies, and the media," Kintner went on. "The time may have come to call greater attention to the good & constructive things being done in advertising."

In another speech last week, FTC Comr. Sigurd Anderson told the American Home Laundry Manufacturers Assn. in Hollywood, Fla. that in TV the country has a medium "without equal in shaping the life & living of the American citizen." He said that in the next 10 years "the power of TV will be realized to an extent that will surprise even its strongest boosters."

Meanwhile FTC issued the latest in its series of industry guides for acceptable advertising & selling practices. This one covered advertised guarantees for merchandise. FTC said such claims should clearly indicate: (1) "The nature & extent of the guarantee." (2) "The manner in which the guarantor will perform." (3) "The guarantor's identity."

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Eversharp Inc. and its agency Compton have denied FTC charges that they used deceptive TV demonstrations to sell Schick safety razors & blades. In separate answers to FTC's complaint, they maintained that the commercials "validly illustrate" Schick features.

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**Ad People:** Lee Rich, Benton & Bowles media vp, named to new post of media & programming vp . . . John C. Strouse, ex-Lennen & Newell, named Benton & Bowles vp . . . Albert R. Whitman promoted from exec. vp to pres. of Campbell-Mithun, succeeding Ray O. Mithun named chmn. Norman F. Best promoted from vp-gen. mgr. to exec. vp, succeeding Whitman . . . Ralph Whiting, George Dewey Roberts Jr., Gilbert J. Headley named Young & Rubicam vps . . . Richard C. Coblems and Richard Neely named BBDÖ vps.

## Stations

**Post-NAB Convention Rollcall:** There's been no upsurge in broadcasting trade association enlistments since NAB's April 3-6 convention in Chicago (Vol. 16:14-15). We checked recruiting offices last week, came up with the figures tabulated below. The numbers in parentheses represent total members (networks, etc.). Figures in the first column show total of station members only. The 2nd column indicates the percentage of commercial stations which are members of each organization. The rundown:

	Total stations	Percent of total
Commercial TV stations on air .....	517	100%
NAB TV members (365) .....	362	70%
NAB TV Code subscribers (385) .....	382	74%
TIO members (150) .....	144	28%
TvB members (262) .....	242	47%
Commercial radio stations on air .....	4,204	100%
NAB radio members (2,130) .....	2,126	51%
NAB radio code subscribers (1,309) .....	1,305	31%
RAB members (1,225) .....	1,200	29%
	* * *	

Big TV Code fee increases—by 800% from \$1,500 to \$13,000 annually for CBS, NBC & ABC, with individual stations paying doubled or tripled subscriptions in larger markets—have been ordered by NAB. The networks have agreed "wholeheartedly" to the boost in "a significant action to strengthen the industry's self-regulatory procedures," according to NAB, which added that responses from 385 subscribing stations have been "excellent." Higher fees were called for when the TV Code Review Board, now headed by E. K. Hartenbower (KCMO-TV Kansas City), laid out plans for setting up a N.Y. office and expanding Washington & Hollywood offices (Vol. 16:11 p6).

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Sale of WDAF-TV (Ch. 4) & WDAF Kansas City, for \$9,750,000 million cash, by National Theatres & TV Inc. to Transcontinent TV Corp., gives the latter a full complement of 5 vhf's plus 60% of a uhf. The station was started by the *Kansas City Star* in 1949, but an anti-trust decree forced the *Star* to sell, and National bought it for \$7.6 million in 1958 (Vol. 13:47-48, 14:17). Recent figures on the stations' performance aren't available. However, it's understood that the gross in 1956 was \$2,470,000 and earnings before taxes were \$1,050,000. Inasmuch as the *Star* had fed considerable business to the stations, and this source was no longer available to National, earnings dropped off somewhat in 1957 & 1958, then showed an upturn last year. Transcontinent Pres. David C. Moore said that the present staff would continue under gen. mgr. William Bates. Broker Howard E. Stark negotiated the transaction which adds the Kansas City properties to these Transcontinent holdings: WGR-TV, WGR & WGR-FM Buffalo, WROC-TV & WROC-FM Rochester, KFMB-TV, KFMB & KFMB-FM San Diego, KERO-TV Bakersfield and 60% of uhf WNEP-TV Scranton-Wilkes-Barre.

Pittsburgh newspaper sale of Hearst's afternoon-&-Sun. *Sun-Telegraph* to the Paul Block family's morning *Post-Gazette* left TV & radio station set-ups there undisturbed. WCAE Inc. (Hearst Publishing Co.) retained WTAE (Ch. 4) & WCAE in the April 22 deal by which the *Post-Gazette*, 50% owner of WIIC (Ch. 11) and owner of radio WWSW, took over the *Sun-Telegraph*.

WCCO-TV Minneapolis will award an annual \$1200 scholarship to a beginning freshman at Minnesota U. for study in the field of TV-radio journalism.

Applications for changes in control or ownership of Canadian TV or radio corporations will now be subject to public hearings before the Board of Broadcast Governors. In the past, applications for stock transfer were heard by BBG *in camera*, and only the results were announced publicly. First public stock-transfer applications will be heard when the BBG meets in Calgary May 16. CKCO-TV, Kitchener, Ont., seeks transfer of 12,501 common shares; and CJLH-TV, Lethbridge, Alta. seeks change in ownership of 50% of capital stock and a change in ownership of qualifying shares. Details are not announced until the hearings take place. Two applications for a single TV license (Ch. 4) will also be heard in Calgary. BBG has also confirmed May 10 for its Edmonton hearings. There 5 applications will be heard for one license on Ch. 5 serving Edmonton; 2 applications for one license in Prince George, B.C., on Ch. 3. (Vol. 16:11). The Prince George applicants are Aurora TV Ltd., and CKPG TV Ltd., operators of radio CKPG. CBC seeks a satellite TV stations at Pembroke, Ont., for its CBOT in Ottawa.

To police TV shows, Canada's BBG has selected a national film authority, Ross McLean. To be called research director, McLean, 55, served with the National Film Board, 1939-45; was a govt. film commissioner, 1945-50; dir. of film & visual information div. at UNESCO, 1950-56; and has been a communications consultant in Ottawa since then. In his new post McLean becomes No. 1 watchdog over the standard, taste and character of Canadian TV & radio. He'll enforce the 55% Canadian content required in TV and maintain guard against obscene or indecent programs, false or misleading news, commercials in the body of newscasts, and rigged programs. (Another Ross McLean, producer of CBC's *Tabloid & Closeup* programs, is not related. He lives in Toronto; BBG's will continue in Ottawa.)

RCA shipped a 25-kw transmitter April 21 to upcoming KSOO-TV (Ch. 13) Sioux Falls, S.D., which has a June target. Also shipped was a used 2-kw transmitter to KHQ-TV (Ch. 6) Spokane, Wash., planning move to new site on Krell Hill. TV tape recorder shipments: 2 color units to NBC, N.Y. and NBC Burbank, Cal.; 3 monochrome units to Reeves Sound Studios, N.Y.; 2 monochrome units to Norway and Egypt; one monochrome unit to KWTW Oklahoma City and to Children's Hospital, Pittsburgh.

For sale: Network-affiliated TV station in Wash. state. So reads ad by Interstate Holding Co. (400 S. Beverly Dr., Beverly Hills, Cal.) in April 27 *Wall Street Journal*. Also listed: 17 unidentified AMs & FMs in Ariz., Cal. & Ore.

### U.S. Station Rate Increases

Station	Base Hour	Minute	Date
KPIX-San Francisco .....	\$2100 (no change)	\$600 to \$660 <sup>1</sup>	April 1
WTIC-TV Hartford .....	1600 to \$1675	400 to 450	April 1
WTVJ Miami .....	1200 to 1850	300 to 400	May 1
KRLD-TV Dallas .....	1200 to 1800	325 to 350	April 1
WISH-TV Indianapolis .....	1300 (no change)	325 to 400	April 1
WSIX-TV Nashville .....	760 to 825	160 to 185	April 1
WATE-TV Knoxville .....	650 to 700	150 to 160	March 15
KENS-TV San Antonio .....	700 (no change)	175 to 200 <sup>3</sup>	April 1
KDAL-TV Duluth .....	500 to 550	110 to 125	May 1
WMTW-TV Poland Spring	500 (no change)	110 to 120	April 1
WTPA Harrisburg, Pa. ....	425 to 450	90 to 95	March 1
KZTV Corpus Christi .....	350 to 400	85 to 100	March 1
KXII Ardmore, Okla. ....	150 to 200	30 to 40	May 1
KRSD-TV Rapid City .....	150 to 180	30 to 38	April 1
WRIK-TV Ponce, P.R. ....	150 to 173	26 to 33	June 15

### Canadian Station Rate Increases

CHCT-TV Calgary, Alta. ..	405 to 450	100 to 115	April 1
CKNX-TV Wingham, Ont.	250 to 275	55 to 60	April 1

<sup>1</sup> Also adds Class AAA (8:30-10 p.m. Mon.-Fri., 7:30-10:30 p.m. Sat. & Sun.) Min. at \$725, 20 Sec. \$660, 10 Sec. \$330. <sup>2</sup> Changed from 20 Sec. to Min. or 20 Sec.

## Auxiliary Services

**Butcher Seeks CATV Law:** Bill to give govt. control over CATV systems (S-2653) is being pushed by Harry C. Butcher, who says that his KIVA Yuma, Ariz. is "imperiled" by a proposed CATV system. The wartime aide to President Eisenhower plans to spend most of his near-future time in Washington, aided by Hollis M. Seavey, who is also consultant to Regional Broadcasters.

FCC granted a microwave to Antennavision Inc., Phoenix (Bruce Merrill), which seeks to build the CATV system and feed it with 4 Phoenix station signals. KIVA protested the grant and a hearing has been set. Butcher states that KIVA's situation is aggravated by the fact that Phoenix stations telecast network programs 1 to 2 hours earlier than Los Angeles stations do. Since KIVA gets its programs from Los Angeles, KIVA would be "scooped" by the CATV, he says. Prospects of S-2653 are considered fairly good in the Senate, and it's likely to come to vote in a week or 2. Rougher going is anticipated in the House, where Rep. Harris's Commerce Committee has yet to schedule hearings on companion bills.

Meanwhile, FCC dismissed pleadings containing what it termed "scandalous & impertinent material" filed by Antennavision in the Yuma protest case and by Microrelay of New Mexico Inc. and Idaho Microwave Inc. in the Roswell, N.M. and Twin Falls, Ida. microwave protest cases. Following is an example of the material involved, from Idaho Microwave's petition for reconsideration: "What has the Commission done in this proceeding? It has disgracefully & unprecedentedly 'passed the buck' to the hearing examiner and, in effect, said, 'We know what the law is, but perhaps you would like to overrule us.' Why doesn't the Commission also direct that evidence be adduced on whether the moon be composed of green cheese?"

The attorney for the microwave grantees has submitted an apology to the Commission, saying that in the "calm after battle" he realized that the language was "unfortunate" in some instances. The latest development was a joint petition of Microrelay of N.M. and protestant KSWs-TV to dismiss the protest. KSWs-TV has bought into Microrelay and the CATV it serves in Roswell, saying that the CATV will not duplicate KSWs-TV's service.

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Solution to vhf booster problem proposed by Jerrold Electronics Corp.—licensing existing operations, provided they produce no interference, and authorizing only uhf translators henceforth—has been incorporated in a brochure being distributed by Jerrold to telecasters, members of Congress & FCC, *et al.*

Giant-View TV scored a meager gate of \$1,790.80 in Milwaukee April 25 with a piped-in closed-circuit bout between Roy Harris & Sonny Liston staged in Houston, Tex. Loss to Phil Valley, Milwaukee promoter: more than \$3,500. The event, priced at up to \$3.30 in Milwaukee was the first Giant-View bout to be aired outside Texas markets. Reported the N.Y. *World-Telegram & Sun*: "The picture here was poorly lighted and the sound indistinct."

Pay-TV hearings will be held May 18 in San Francisco by a subcommittee of the Cal. State Assembly's Interim Committee on Public Utilities & Corporations. The group—set up to probe legislation on "subscription, boxoffice and pay TV"—has asked those planning to testify to contact the Committee by May 12.

## Congress

**HARRIS REVIVES SPECTRUM CONTROL:** Highly controversial spectrum-control bill (Vol. 15:31 p3), introduced by Rep. Harris (D-Ark.), has been considered dormant, if not moribund, until last week when Harris dispelled such thoughts in a speech before the Overseas Press Club in N.Y. Harris proposes the establishment of a 3-man Frequency Allocation Board with great powers over allocations of the whole spectrum, including TV-radio. Some telecasters are strongly opposed, while EIA has approved the idea in principle.

Harris in his talk noted that the President is considering the appointment of a special allocations advisor, and he freely voiced his qualms: "It remains to be seen whether the proposed advisor is expected to become a czar whose decisions are not subject to any review—which would be unacceptable to many persons—or whether the advisor is to act purely as a front man to hide the deficiencies of the present dual set-up." Ironically, telecasters' great concern is that Harris's 3-man group would be czar-like. Went on Harris:

"In my considered opinion, the question of unified spectrum control cannot be solved by Executive Orders and will require Congressional action, as was done in the case of the creation of the Federal Aviation Agency. My only hope is that agreement can be reached on the form & powers of the new agency before accidents resulting in serious loss of life & property will occur as a consequence of the present confused state of affairs with regard to frequency allocations."

Turning to program legislation, Harris asserted that Congress will enact laws prohibiting deception & payola, limiting trafficking of licenses and giving FCC more power to judge whether station sales "are in the public interest." On govt.'s role generally, he said:

"I believe that by determining, on the basis of hindsight, what is not in the public interest, we can arrive at a better understanding of what *is* in the public interest. I believe that the search for greater definiteness of this concept is a continuing one and that is the way it should be. The public interest is not a static concept and no agency of govt. should have the power to determine in a vacuum for all time what TV programming is in the public interest.

"The role of govt. in relation to broadcasting is most difficult because the value judgments which have to be made in this connection involve man's mind and not just his pocketbook.

"Therefore, no satisfactory final answers can be given, no neat definitions can be provided either by statute or through agency rules. This does not mean, however, that the govt. has no role to play with regard to broadcasting. Rather, the role of the govt. is a limited one and in a free society the responsibility for broadcasting should be shared with the broadcasters, networks, producers, advertisers, advertising agencies, the listening public and all others who have an interest in this important medium."

FCC housekeeping chores are reduced under terms of a Senate bill (S-899) approved by the House "to provide for the discontinuance of certain reports now required by law." An FCC-requested section of the measure, which covers many govt. depts. & agencies, relieves the Commission of the necessity of filing detailed annual personnel records with Congress (Vol. 16:7 p9).

## More about

**MAGNUSON'S ETV TAX:** Sen. Magnuson's proposal to levy a 1% tax on commercials for the purpose of helping ETV stations (see p. 4) is not intended as a substitute for his bill to grant each state a one-shot \$1 million for ETV. It's meant to be a supplement, and he hasn't introduced it yet—probably because he doesn't want to disturb chances of the earlier bill which has passed the Senate and awaits House approval. Actually, chances of a hearing on the latest bill this session are slim. As drafted, the new bill would provide that:

(1) Stations & networks collect a 1% federal excise on time sold. The bill isn't specific on "below-the-line" or "above-the-line" sponsor payments. It's probably deliberately so, with final determination to come after hearings. Depending how it's calculated, the total would run \$8-15 million annually.

(2) FCC & Dept. of Health, Education & Welfare would jointly administer payments to ETV stations.

(3) All ETV CP-holders & stations would be eligible. No limit is set on the amount per station, but grants would be for one year at a time.

(4) An advisory board on educational TV grants would be appointed by the President. Its 5 members would be selected from educational, civic or cultural leaders and they'd get \$50 a day plus expenses when they work. Their job would be to help FCC & HEW pick recipients—and to do whatever else FCC & HEW request. They'd meet at least 4 times a year.

(5) Govt. bodies and non-commercial organizations would be for one year at a time.

(6) HEW & FCC are specifically enjoined from any control over ETV stations' programs.

The exact purpose of the bill, as spelled out in the draft, would be "to assist in establishing, improving & operating" ETV stations.

This kind of excise tax is neither unique nor common. The best known similar excise is the gasoline tax, proceeds of which are earmarked for highway construction. Many states have special taxes for educational purposes but there's no such federal levy.

Magnuson is in no great rush about the bill, since he said he's had it around for some time and still hasn't introduced it. However, he's very serious & tenacious about ETV and you may be sure he won't drop his new idea casually, despite the opposition it's bound to produce.

FCC trial examiners would be taken out of civil service and put into a separate super-grade category of govt. employes under a bill (HR-11669) introduced by Rep. Broyhill (R-Va.). Citing their quasi-judicial functions, he said examiners working for FCC and other top regulatory agencies such as FTC should have special standing with salaries corresponding to the GS-18 civil service classification (currently \$17,500). FCC examiners now are paid \$12,700-\$13,970. Broyhill's measure would amend Sec. 11 of the Administrative Procedure Act.

"Code of conduct" for FCC & other federal agencies is provided in a bill (S-3308) by Sen. Butler (R-Md.) carrying out his proposals to help rid the agencies of "unlawful & unethical" ex-parte pressures (Vol. 16:14 p11). No criminal penalties are set up in the measure, but Butler said it should "serve as a valuable guide & deterrent."

## Film & Tape

**WGAW REJECTS NEW OFFER:** Writers Guild of America West membership has rejected the new peace proposal which was offered by the Alliance of Television Film Producers to end the 15-week-old strike of TV writers, longest in the Guild's history. Although WGAW rejected the proposal by 206-143, and a network bid covering TV film by 267-54, WGAE accepted both offers.

Since Hollywood comprises the larger part of WGA's membership, the sentiment there was that the WGAW turndown was binding. But a national referendum may be held in view of the split. WGA national chairman Edmund Hartmann told us that this depends on conversations he will hold with both WGA groups, to reconcile their positions. If there is no success, WGA's national council will probably take up the matter at a meeting tentatively scheduled for mid-May.

Some production executives gloomily predicted the WGAW rejection would result in postponement of next season's TV start from fall to Jan. 1. Nobody professed to know when the strike would end, as a result of the new developments. Meanwhile, production was suffering.

### 'Strike Took Effect 3 Weeks Ago'

WGAW's meeting was lengthy & emotional. The vote came about 1 a.m. Fri. Leading the fight against acceptance of the Alliance & network proposals were members of the negotiating committee which had rejected them. One of their most convincing arguments was that "the strike actually took effect 3 weeks ago," and that WGA is in a better bargaining position than ever, since companies are genuinely feeling the script shortage, particularly at a time when they should be preparing next season's product.

WGAW did approve the live-TV & freelance contract with the networks 257-61; the network radio pact 273-45.

WGAW's rejection of the new Alliance proposal came as a surprise, since the Guild TV board & council had recommended acceptance, after overruling its negotiating committee which had turned down a similar plan called the Stoller offer. The membership vote was a repudiation of its own council & board, and a vote of confidence in the negotiating committee.

WGAW Pres. Curtis Kenyon told the membership he considered their vote a mandate to settle for nothing less than compensation in the foreign area, in addition to the recognition of principle offered in the Alliance package. Kenyon commented to us: "I think from the very beginning the producers have failed to take our demands with sufficient seriousness, and by the time they got around to it, it was a case of too little & too late."

WGA's turndown created even more bitterness in producer circles, and one executive remarked to us, of WGA: "Our problem is that we have a leaderless, rudderless Guild that's just drifting in chaos. The leadership no longer has control of its membership. How can we deal with a leadership which has been repudiated, or a membership which has no representation?"

The Guild's negotiating committee, which had not resigned, although overruled, met Fri. to discuss future negotiations. Armed with the membership's vote of confidence, it appeared the committee would meet next with independent companies outside the Alliance. There was little question that it would have more strength following vindication of its position by the membership.

Thursday night's membership vote climaxed a hectic week marked by splits within WGA and the Alliance, and highlighted by a new offer presented by Morris Stoller of the William Morris Agency on behalf of several Morris clients. The Stoller offer was slightly modified later by the Alliance and became the formal Alliance proposal. Here's the day-by-day account:

**Mon.:** Stoller came up with his proposal, calling for a 10% hike in minimums the first 2 years, and a 5% raise the remainder of the 3%-year contract, in addition to a 5% pension plan and outright recognition of the foreign principle. It was similar to a previous Morris-Alliance offer which had been rejected, but the important difference was recognition of the foreign residuals principle, which the Alliance had previously refused.

Stoller presented his proposal to the Alliance, but Revue Studios balked at it, and Desilu and Ziv-TV wanted more time to think it over. Not wanting to wait and risk prolonging the strike, he then submitted it to the WGA negotiating committee on behalf of 7 companies. It marked the first split in the Alliance, whose members had a tacit agreement to act in unison. WGA's negotiating committee rejected both the network and Stoller offers. However, the Guild's TV board, while upholding rejection of the network offer, overruled its committee 6-5 to accept the Morris offer. The negotiators were holding out for compensation as well as recognition in the foreign area, while the board thought recognition & a pension plan adequate.

**Tues.:** TV divisions of the major studios agreed to accept the Stoller formula, although final settlement hinges on ending the WGA-major studio dispute in movies, since the majors want to clean up all their writer troubles at the same time. The majors' TV units liked the pay-TV aspects of the Stoller plan, which simply called for a reopening clause on the issue. Meanwhile, the rest of the Alliance decided to go along with the Stoller plan with minor language changes.

It also went along with a plan calling for establishment of a committee which would, the last year of the contract, study the economics of the foreign area and the feasibility of a royalty payment plan as opposed to the present residual system. Findings of such a committee would not be binding, but serve as a guide for future negotiations. Although the WGA's council accepted this, its negotiating committee refused to meet with the Morris office to iron out details, because, it stated, it felt it was untenable to negotiate an offer which it had rejected. WGA appointed an interim negotiating committee to meet with the Alliance and Morris office, following the refusal. (Kay Lenard, pres. of the TV board, had resigned from the negotiating committee previously because of differences with the committee.)

**Thurs.:** Alliance officially agreed on the new plan.

One important aspect of the plan finally evolved was that it avoided raising residuals by giving writers a pension plan instead. This, industryites believed, will preclude IATSE from seeking residual payments.

Meanwhile, WGA negotiations with the Assn. of Motion Picture Producers took a sour turn when AMPP, in a press release, said differences between it and WGA were so "substantial" as to indicate a prolonged continuation of the strike which began Jan. 16.

AMPP said it had offered WGA a 4-year contract calling for a 10% hike in minimums the first 2 years, and another 5% the next 2 years; 5% of writers' salaries, up

to \$100,000 a picture, for a pension plan and health & welfare plan similar to that recently agreed on with Screen Actors Guild; "past-service credit" payments for a 2-year period in which writers were not part of the industry plan; payment of a lump sum for a health & welfare fund; payments on post-1960 movies released to free TV equal to 2% of the producer's return (to run for a 6-year period), and agreement on AMPP's declaration that pay TV is an extension of the theatrical box office.

WGA said it had accepted the pension health & welfare plan in principle but no agreement on the amount of money involved has been reached. While WGA has accepted the pattern set by SAG to pass up claims for post-1948 movies in lieu of a pension fund, it will not accept the SAG pattern in pay TV. The guild feels it has a right to negotiate for pay TV, an executive emphasized. (SAG originally held pay TV should be considered a separate medium; yielded to claims it's part of the movie boxoffice.)

**Desilu Moving Up Again:** With several deals for additional series still in negotiation, Desilu Productions already has firmed 6 series & 11 rental deals for an impressive total of 17 for next season. Unlike Revue Studios and Four Star Television, which own most of their series, Desilu's preponderance of production has been in rentals.

Desilu-owned series now set are: Renewals of *The Untouchables* and *Ann Sothern Show* and syndicated *U.S. Marshal* and *Grand Jury*; new entries *Harrigan & Son* and *Guestward Ho!* (Major casualty of Desilu this season was 60-min. *Westinghouse Desilu Playhouse*.)

New rental deals: *My 3 Sons*, *The Andy Griffith Show*, *Angel*, *Miami Undercover*, *Press Time* and 18 Jack Benny shows on film. Rentals which will renew their use of Desilu facilities: *The Danny Thomas Show*, *Wyatt Earp*, *The Real McCoys*, *Lassie* and *Barbara Stanwyck Theatre*.

The Desilu company, owned by Lucille Ball and Desi Arnaz, owns 3 studios having 35 stages. Next season's schedule will necessitate splitting into 2 Stage 15 & another king-sized movie stage at the Culver City plant.

Fred Ball, brother of Lucille Ball, left Desilu last week, as did George Murphy, vp for public affairs.

**Anti-Trust Trials (Cont.):** Defense rebuttal in the anti-trust, block-booking trial involving 6 TV film distributors, began in N.Y. District Court April 29 before Judge Archie O. Dawson. (Vol. 16:11 p12 *et seq.*). He expects the trial to end this week. Taking the stand last Fri. were David Stickle, WMAR-TV Baltimore; Stanley Hubbard, KSTP-TV Minneapolis; F. E. Busby, WTVY Dothan, Ala.; Jack Delier, KWTW Oklahoma City; Larry Israel, Westinghouse Bestg. Co. Defense witnesses who appeared earlier last week included Harold Goldman and Oliver Unger, NTA; John Leo and Seymour Peyser, UA; George Hank-off and Ben Coleman, Screen Gems; Eliot Hyman, Robert Rich, Alvin Sussman and Lester Tobias, AAP.

Meanwhile the restraint-of-competition anti-trust trial involving Screen Gems, Universal International & Columbia Pictures concluded April 27 in U.S. District Court, N.Y. Judge William B. Herlands reserved decision and instructed both sides to file written expositions of their stands in the case before May 26 (Vol. 16:12 p9 *et seq.*).

Academy of TV Arts & Sciences has mailed more than 6,000 members their nominations ballots for the 1959-1960 Emmy awards telecast on NBC-TV, June 20.

## NEW YORK ROUNDUP

Herman Rush Associates has been formed by ex-Flamingo Telefilm Sales Pres. Herman Rush. The new company, which has acquired "a substantial interest" in Heritage Productions Inc. (Packager-distributor of *Campy's Corner* and *The Adventures of Willie Wonderful*), plans to produce & distribute films for TV and theatrical release. Main office: 50 W. 57th St., N.Y. Trafalgar 4-1299.

Screen Gems has sold its new group of 72 *Three Stooges* comedies to 27 stations in the 3-week period since the package was released at the NAB convention. There are now 190 *Three Stooges* episodes in circulation.

**People:** Flamingo Films reported 3 major appointments recently: former Buckeye Corp. vp Samuel F. Rubin was elected chmn.; Ira Gottlieb, former Flamingo exec. vp became company pres. and C. P. Jaeger was named exec. vp. . . . Robert Goldstein has been named asst. to NTA Chmn. Ely A. Landau, and has been elected asst. secy. of NTA and parent co. NT&T . . . Bert Mitchell has been appointed Western states sales representative for Programatic Bestg. Co. . . . Victor Jory, star of Screen Gems' *Manhunt*, has been chosen by the U.S. Information Service to present "America's Story" to the Far East under Pres. Eisenhower's "People to People" program . . . Leslie Nielsen, star of ABC-TV's *Swamp Fox*, has been presented the first TV & radio award of the Children of the American Revolution . . . Grace V. Sullivan named national sales dir., Official Films . . . Kevin O'Sullivan has been named acting sales mgr., N.Y. sales div., ITC . . . James L. Wolcott was appointed sales coordination vp at Transfilm-Caravel . . . Jerry Maticka has been named a TV commercials dir. at Robert Lawrence Productions.

## HOLLYWOOD ROUNDUP

CBS-TV has shelved its 60-min. adventure series which was to have starred Rory Calhoun . . . Revue Studios has filmed a pilot of *The Art Linkletter Show* . . . Sponsors of *Mr. Lucky* have notified CBS-TV they want to renew the series, but the network has taken over the time slot for another show. Time is being sought on another network.

Warner Bros. resolved another difficulty last week, when it persuaded Jack Kelly (co-star with James Garner, of *Maverick*) to return to the studio. He had walked out when WB exercised *force majeure* to take him off the payroll (Vol. 16:17 p12). Warners' persuasion took the form of a raise & a new 7-year-contract to replace the old one which had 4½ years to run. Now that Kelly and Edd Byrnes (*77 Sunset Strip*) are back in the fold, the only remaining walkout is Garner, who'd also left on the *force majeure* issue. WB sued Garner; Garner countersued.

Panorama Productions Ltd. plans construction of a TV & movie studio in Vancouver, B.C., at an initial cost of \$500,000. There will be 2 sound stages, part of a \$4-million development with studio available on rental basis.

**People:** Gene McCabe, production mgr. for Bill Burrud Productions, has been named administrative asst. to Burrud . . . Jack M. Goetz, PR dir. of Consolidated Film Industries, elected chmn. of the Television Film Assn.

## Educational Television

**Airborne ETV Report:** That \$7 million airborne ETV project which is now slated for Feb. 1961 takeoff (Vol. 15:42 et seq.) has been making headway on its groundwork, according to a 32-page information brochure just issued by the Midwest Program on Airborne TV Instruction (see Midwest Council on Airborne TV Instruction). The project has established separate "ground crews" of academic, ETV and civic representatives to administer MPATI policy & programs in 18 areas of the 6 states in the test. Also it has enlisted 18 colleges & universities (one in each of the test areas) to serve as "resource institutions" to assist participating schools & personnel.

MPATI workshops for teachers & school executives interested in the airborne ETV program have been scheduled for this summer at each of the resource institutions: Illinois—Northern Ill. U., Northwestern, U. of Ill. Indiana—Ball State Teachers College, Butler U., Ind. State Teachers College, Ind. U., Notre Dame, Purdue. Kentucky—U. of Ky., U. of Louisville. Michigan—Mich. State, Wayne State U., Western Mich. U. Ohio—Bowling Green State U., Miami U., Ohio State. Wisconsin—U. of Wisc. A workshop also will be conducted at De Paul U., Chicago.

The latest schedule of operations calls for "demonstration" telecasts to begin in Feb. and continue through June to enable participating schools to install & test classroom equipment, check signal quality, observe programming. The first full academic year of airborne TV instruction will begin Sept., 1961. The brochure states that "courses are being programmed for telecasting roughly on the ratio of 40% each for elementary & secondary levels and 20% for college & university. Participation by schools at all levels is on a voluntary basis, as is the number & nature of courses they wish to select from the telecast offerings, and the number of classrooms they wish to equip." MPATI estimates that, using a master antenna system, it will cost \$500 per room to equip 5 classrooms of a school within 50-100 miles of the airborne transmitters. Participating schools will equip themselves at their own expense.

**Govt. Awards ETV Grants:** Five new Federally-financed research grants totaling \$525,824 have been awarded by the U.S. Office of Education for research at educational institutions in school uses of TV (under Title VII of the National Defense Education Act).

The latest ETV project awards, first to be announced since Feb. by Education Comr. Lawrence G. Derthick (Vol. 16:8 p8), were among 17 audio-visual study grants totaling about \$1 million. Since the start of the program last year, 83 applications for funds have been approved, many of them for ETV work. The new ETV research programs:

Use of TV to improve teaching of Spanish in elementary grades, 4 years, \$320,622. Dr. Wilbur Schramm, Stanford U.'s Institute for Communication Research dir., Palo Alto, and Dr. Kenneth E. Oberholtzer, Denver public schools supt.

Administering tests by TV, 18 months, \$39,653. Dr. H. A. Curtis & Dr. R. P. Kropp, Florida State U., Tallahassee.

Use of program analyzers & filmed recordings to train TV teachers, 15 months, \$34,439. Dr. F. Craig Johnson, instructional TV research dir., Ohio U., Athens.

Effectiveness of TV for in-service teacher instruction, 19 months, \$64,905. Dr. M. Vere DeVault, U. of Tex., Austin.

Use of TV to reduce adult illiteracy, 13 months, \$66,205. Nell Pearson, Florence State College, Florence, Ala.

International ETV seminar under UNESCO auspices will be conducted May 15-25 at Purdue U., Lafayette, Ind. Purdue's Dr. R. M. Whaley & Warren Seibert, now on leave to the U.S. Office of Education, will direct the sessions.

## The FCC

Sixteen uhf CPs have been cancelled by FCC for failure to respond to the Commission's letter of Feb. 24 which admonished the grantees for their lack of diligence in pursuing the grants and in effect told them to fish or cut bait (Vol. 16:8 p2). Total CPs relinquished as a direct result of the letter is now 23—the 7 others having voluntarily turned in their CPs after receipt of the FCC letter. Those cancelled by the FCC (all pending for at least 4 years, some as much as 8 years) were: WSTF (Ch. 27) Stamford, Conn., WEAL-TV (Ch. 18) Orlando, Fla., WOPT (Ch. 44) Chicago, WCKG (Ch. 26) New Orleans, WITH-TV (Ch. 72) Baltimore, WHEF-TV (Ch. 62) Brockton, Mass., WNYT-TV (Ch. 29) Buffalo, WTVG (Ch. 36) Mansfield, O., WMAC-TV (Ch. 23) Massillon, O., WKOK-TV (Ch. 38) Sunbury, Pa., WACA-TV (Ch. 14) Camden, S.C., KNBT-TV (Ch. 19) Brownwood, Tex., KXYZ-TV (Ch. 29) Houston, WARL-TV (Ch. 20) Arlington, Va., KVAN-TV (Ch. 21) Vancouver, Wash., WLTV (Ch. 51) Wheeling, W. Va.

Latest political equal-time decision by FCC is against a broadcaster and in favor of a complaining candidate. On radio WCLG Morgantown, W.Va., Sheriff Charles J. Whiston has a daily 5-min. program reporting the activities of his office and ending with an editorial-like "thought for the day." Stanley R. Cox Jr., Whiston's opponent for nomination as U.S. Representative in the May 10 Republican primary, complained to FCC that he had asked for equal time and had been rejected. WCLG argued that the program had been regularly scheduled since 1958, that no controversial issues are discussed, that there is no script, that the program is a "bona fide" news show exempt from equal-time requirements, etc. The Commission didn't give any detailed analysis of the reasoning behind its ruling, simply stated: "In the light of the facts before us and the legislative history of Sec. 315, it is the Commission's conclusion that the program in question is not the type of program Congress intended to be exempt from the equal time requirements of Sec. 315."

Mack-Whiteside conspiracy retrial has been put off again—this time until Oct. 4. The second trial of ex-FCC Comr. Richard A. Mack & his long-time friend Thurman A. Whiteside, on charges that they conspired to throw the Miami Ch. 10 grant to WPST-TV, had been set for April 25 (Vol. 16:17 p4). But defense lawyers, who had previously won delays because of the mental illness of Mack, told Judge Alexander Holtzoff in Washington's U.S. District Court that Whiteside was unable to appear now. He was having a "rough time" following an April 22 operation for removal of his gall bladder at Coral Gables, they reported. Judge Holtzoff ordered the case continued until Oct., explaining he didn't want to start a lengthy trial in Washington's hot weather.

Moline's Ch. 8 should go to Community Telecasting Corp., according to an initial decision issued by FCC examiner Charles J. Frederick. He preferred it to 4 competitors primarily on the grounds of stockholders' local residence, civic activities, diversification of business interests, lack of ownership in mass communications media, broadcast experience, integration of ownership & management. Pres. of Community is Mel Foster (real estate & insurance). Exec. vp is Mark L. Woodlinger, ex-sales mgr. of WOC-TV & WOC Davenport. The other 4 applicants are Tele-Views News Co., Midland Bestg. Co., Illiway TV Inc., Moline TV Corp.

FCC won another case last week in the Court of Appeals, which upheld the Commission's rejection of the application of WICS (Ch. 20) Springfield. WICS had belatedly sought to compete for Terre Haute's Ch. 10. The Ch. 10 competition was between WTHI-TV's license renewal and Livesay Bestg. Co. WTHI-TV & Livesay asked FCC to waive sending the conventional "McFarland letter" which precedes hearings, and the Commission did so. WICS appealed on the grounds that the Commission had no power to grant the waiver and should have accepted its late application. Upholding the Commission, the court ruled: "The purpose of [the McFarland letter] is to give certain rights to applicants who have appeared in the matter and provide a speedy way of bringing to determination pending applications for broadcasting stations. Certainly there is no intention to provide additional time to permit the filing of applications on behalf of unknown parties whose intention to file in no way appears . . . There was nothing to prevent [WICS] from filing an application at any time after Ch. 10 became available . . ." Incidentally, FCC examiner Herbert Sharfman has just recommended in an initial decision that WTHI-TV get its renewal (Vol. 16:7 p4).

Views on direct licensing of networks, as proposed in pending bills, haven't congealed at FCC, which meets on the subject this week. However, there appears to be a strong leaning toward amending the law to permit the Commission to pass rules directly affecting networks. Currently, FCC controls networks through affiliates and o&o's. In another pending legislative area—ex parte communications in rule-making—the FCC favors splitting rule-making into 2 kinds, general & special. In the first, it would permit wide-open discussion on & off the record. In the 2nd, it would confine communications to the record. In each case, it would give parties public notice of the ground rules. As a matter of fact, it has already done so in little-noticed actions. The Providence & Grand Rapids vhf drop-in proceedings have no restrictions, but the Fresno channel-shift case confines all contacts to the public record.

Complaint against CATV system in Laramie, Wyo. for supplying background music on one channel of its system has been filed with the FCC by radio KGEK Sterling, Colo. The station said that the practice is a "serious threat" to small radio stations. Collier Electric Co. operates the Laramie CATV, and KGEK said that reports indicate it plans to do the same in Sterling, where it also operates a CATV system. KGEK ends with plea: "Is there any way this practice can be halted before small radio stations really feel the impact?"

Sloppy engineering was rapped by the FCC last week in a special public notice urging broadcasters to look over their operations and take corrective action. Examination of its records, the Commission said, shows "an apparently increasing disregard of engineering rules & operator requirements and of equipment performance standards on the part of many broadcast licensees, particularly in the standard (AM) broadcast area. Deficiencies in the proper maintenance of complicated equipment, such as directional antennas, are indicated in many cases."

New at FCC: Attorneys—Francis T. Nolan, office of network study; Jack D. Warren & Edward J. Reilly, renewal & transfer div.; Larry N. Berkow, opinions & reviews; Philip A. Wells, safety & special. Irma B. Galane, rules & standards engineer, has transferred to NASA.

## Television Digest

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**Personals:** Merritt Coleman named CBS-TV vp & business mgr., talent & contract properties, Hollywood, succeeding Philip Feldman, who resigned to become exec. vp, Broadcast Management Inc. Salvatore Iannucci succeeds Coleman as CBS-TV business affairs dir.; Philip Luttinger named CBS-TV asst. research dir.; Hugh Graham, CBS-TV studio operations dir., named live operations dir.; Don Patton named to new post of CBS-TV account service mgr., TV production sales, Hollywood.

Alan D. Courtney promoted from nighttime program vp, NBC-TV to program administration vp; Robert F. Aaron named daytime programs dir.; Joseph P. Cunneff named nighttime programs dir. . . . Robert Novak, asst. program mgr., KPIX San Francisco, May 16 becomes program mgr. of KDKA-TV Pittsburgh . . . Robert C. Burris, vp-sales mgr. of KEYT Santa Barbara, Cal., adds job of station mgr. . . . George W. Schiele promoted from TV station sales dir. to vp-gen. sales mgr., Best. Advertisers Reports; Josef B. Rosenberg, ex-Smith, Kline & French, named vp & asst. to the pres.

James E. Duffy named ABC Radio national sales dir. . . . Dan G. Crone named CBC management services dir. . . . Douglas McLarty, ex-WKBW-TV, named production mgr., WRCV-TV Philadelphia . . . Eric Bremner named promotion mgr., KING-TV Seattle, succeeding Mel Anderson, resigned as KING Bestg. Co. promotion dir.

Keith Jackson named sports & special events dir., KOMO-TV and KOMO, Seattle . . . Hal B. Cook resigns as sales vp of Warner Bros. Records to become a partner in Scott-Textor Productions, N.Y. . . . Larry Hays named production mgr. of KHJ-TV Los Angeles.

Frank P. Fogarty, vp-gen. mgr., WOW-TV & WOW Omaha, received U. of Omaha dept. of journalism award for having made the outstanding contribution to journalism in Omaha in 1959.

Adron M. Miller named mgr. of RCA's new film recording & TV systems center (1560 N. Vine St., Hollywood, Cal.) . . . Patrick E. Rheume named mgr., RAB member service dept. . . . Serge Bergen, ex-Jansky & Bailey, joins Washington consulting engineers Kear & Kennedy as a senior staff engineer.

Ex-FCC Chmn. John C. Doerfer is considering opening Washington administrative law offices on his own, not joining an existing firm, may announce decision soon.

# Trade Report . . .

MAY 2, 1960

**THE AUTO-TV PARALLEL:** The analogy between TV & auto sales since 1950—first pointed out in these pages early in 1953 and since then an oft-discussed industry curiosity—presents an interesting phenomenon. For though there are sharp differences between the 2 industries, their sales curves have run strikingly parallel courses.

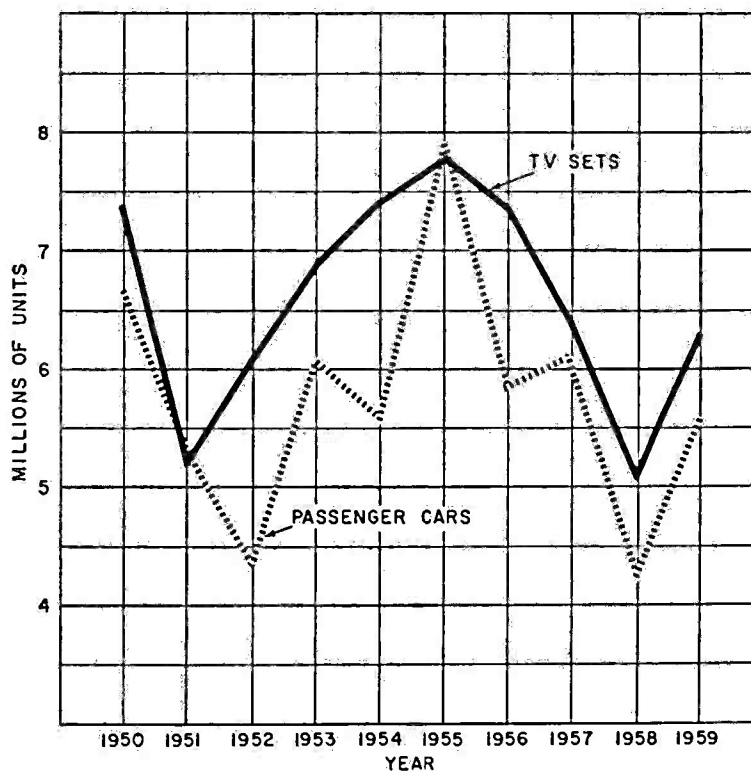
The most obvious common meeting-ground of TV sets & cars is in the number of units sold per year—which makes it possible to depict them easily on the same scale. In the last 10 years, factory sales of TV sets averaged 6,594,255 sets a year, while domestic production of passenger cars averaged 5,769,963, cars & trucks combined 6,939,565.

TVs & passenger cars have another important property in common: They're both consumer durable items, and in a time of big consumer spending, demand for both goes up together (1955 was the peak for both); in "recession" times (1951-52, 1958), demand for both goes down. Interestingly, TV doesn't show the same marked parallel with other consumer hard goods—refrigerators or washing machines—as it does with autos.

The table & graph below compare factory sales of TV & passenger cars from 1950 through 1959. Hectic as the TV industry's ups & downs have been, it's interesting to note the far more severe yearly fluctuations of auto sales. Leaders in both industries have been predicting 1960 retail sales of between 6 & 6.5 million. No comparisons for 1960 are valid, since the seasonal month-by-month pattern is completely different in the 2 industries.

FACTORY SALES, 1950-59

Year	TV	Passenger Cars
1950	7,355,100	6,665,863
1951	5,311,888	5,339,435
1952	6,193,644	4,320,794
1953	6,870,941	6,116,948
1954	7,404,578	5,558,897
1955	7,738,062	7,920,186
1956	7,351,040	5,816,109
1957	6,387,762	6,113,344
1958	5,051,060	4,257,812
1959	6,278,476	5,591,243



Although the 2 industries may be more different than they are alike, perhaps they have some factors & problems in common which don't readily meet the eye. Both have been trying to build up a "2nd-set" business, for example—only 18.3% of auto-owning homes have 2 or more cars, while 12.7% of TV homes own 2 or more sets, although TV is a far younger industry.

Some auto makers are facing same problem met by TV industry 5 years ago. U.S.-made compact car sales have cut into sales of conventional-sized cars in much the same way portable TV sets (the low-priced compact "2nd set") bit into sales of more expensive models in mid- & late 1950s. Auto industry seems to be meeting this problem same way TV industry has met it—more expensive "step-up" compacts.



One of auto industry's major problems hasn't yet faced TV industry—but it may soon. That is competition from imports, which last year accounted for more than 10% of U.S. car sales. Here an analogy with radio industry is more in order: Foreign manufacturers gave public a needed product, and U.S. makers were forced to meet competition by changing their product lines and selling at lower prices. Influx of foreign TV may force similar changes in U.S.-made TV lines—but, again taking a leaf from the auto makers' book, imported TVs probably will have to offer needed features (other than low price) to make inroads. In auto field, imports offered compactness, ease & economy of operation plus low price. In TV field, battery operation plus low price might be the lure.

**CALENDAR OF TV-RADIO-STEREO SHOWINGS:** Season has already begun for the traditional showings of next year's TV-radio-stereo lines.

Many manufacturers will show new models at (or on fringes of) Home Furnishings Show (Merchandise Mart, Chicago, June 20-July 1) or the NAMM Music Show (Palmer House, Chicago, July 10-14), with some showings—principally imports—at the Electronic Parts Distributors Show (Conrad Hilton, Chicago, May 16-18).

On basis of all information currently available from manufacturers (and importers), we've compiled this table of new-line premieres. Remainder will be covered as announced.

Manufacturer	Items Shown	Date	Event & Location
Admiral	TV, radio, stereo	To be announced June 3-8 June 13-18	Distributors, location to be announced Dealers, Fontainebleu, Miami Beach Dealers, Riviera, Las Vegas
Capehart	TV, radio, stereo	July 10-14	Music Show, Chicago
Delmonico	Imported TV (Japan Victor), radio, stereo, etc.	May 9-13 May 16-18 May 23-27 June 20-24 July 11-14	Distributors & dealers, 745 Fifth Ave., N.Y. Hotel Ramada, Chicago Ambassador Hotel, Los Angeles Congress Hotel, Chicago Music Show, Chicago
GE	TV, stereo	April 28	Distributors, Detroit; also May 2, Philadelphia; May 5, St. Louis; May 19, Jacksonville; May 12, Los Angeles
Hitachi (Sampson Co.)	Imported TV, radio, stereo	May 16-18	Parts Show, Chicago
Hoffman	TV, radio, stereo	June 13-14	Distributors & dealers, Las Vegas
Motorola	TV, radio	May 16-17 May 19-20 May 23-24	Distributors, Grossinger's, Grossinger, N.Y. Distributors, Chase Hotel, St. Louis Distributors, Beverly Hilton, Beverly Hills, Cal.
Muntz	TV	July 10-14	Music Show, Chicago
Olympic	TV, radio, stereo	June 19-23	Congress Hotel, Chicago
Packard Bell	TV, radio	June 20-24	Distributors & dealers, Ambassador, Los Angeles
RCA	TV, radio, stereo	May 17-20 May 25-28	Distributors & dealers, Las Vegas Distributors & dealers, Miami Beach
Sylvania	TV	June 6	Distributors, Mackinac Island, Mich.
Symphonic	TV, stereo	July 10-14	Music Show, Chicago
Star Lite	8-in. TV import	July 10-14	Music Show, Chicago
Westinghouse	TV, radio, stereo	June 1	Distributors, East Orange, N.J.
Zenith	TV, radio, stereo	early June	Distributors, Chicago

**LIQUIDATIONS BRING SHAKY TV PRICES:** Dumping and price-cutting have again reared their ugly heads on the TV scene. Success of the new-shape 19- & 23-in. sets probably made it inevitable—but, despite continued optimism for good sales year (Vol. 16:17 p14), several large TV manufacturers in recent weeks have noted weakening price structures—particularly in 17- & 21-in. sets. Nevertheless, majority opinion is that this condition will be over by midyear, when old merchandise has been flushed out.

Mixed TV-stereo profit picture is shown in first-quarter financial reports of set makers, as reported in these pages this week & last. Here's what some officials are saying about first quarter & prospects for future:

Zenith earnings set first-quarter record, according to Chmn. Hugh Robertson—but it came "in the face of adverse industry profit situation brought about by unrealistic pricing and liquidations on the part of several competitors which affected the pricing of certain Zenith merchandise in the lower price brackets." He added: "It is not anticipated that this industry condition can continue after the 2nd quarter."

Factory shipments of Zenith TVs were up 22½% from first-quarter 1959, he said, with remote-controlled sets showing 100% increase. Zenith Sales Corp. Pres. Leonard C. Truesdell told the stockholders meeting last week that one third of all consoles sold by Zenith incorporate remote control (Vol. 16:16-17). Stereo shipments showed a decrease for the quarter, Robertson said.

TV "price deterioration" during first-quarter 1960 was cited by Hoffman Electronics Pres. H. Leslie Hoffman as partially responsible for a profit decline. "Although unit volume was good," he told stockholders, "the fact that competition was clearing inventories of 17- & 21-in. sets, due to the introduction of the new 19- & 23-in. sets, depressed the market and resulted in a profit level less than anticipated.

"Retail sales for the company & the industry have been at a good level," Hoffman added, "and by the time the new lines are introduced at the middle of the year, the inventories causing the present problems should be liquidated." He said second half-year results should be "considerably better" than first-half.

Wells-Gardner attributed first-half decline to inventory reductions (Vol. 16:17 p18).

Philco Pres. James M. Skinner Jr. reported consumer-goods sales "somewhat below expectations" for the quarter. Inventories & price-cutting this year have been far more severe in major appliances than TV.

That the picture is mixed is sharply indicated by Zenith's excellent showing as well as reports by Magnavox & Packard Bell. Magnavox attributed its record quarterly sales & earnings to its consumer-products div. whose sales of TV & stereo increased 35%. Packard Bell reported its home-products div. increased profits 69% on 30% more sales in 6 months ended March 31, 1960 over the year-ago period.

For more details on set makers' first-quarter activities, see p. 20.

Note: A mild mid-1961 recession is in the making, according to the Bureau of National Affairs. The Washington-based economics service for businessmen reported that a poll of top govt. & business leaders showed near-unanimous opinion that business will be good all this year, but that a slump next year is unavoidable. Some believed it will be about the same severity as the recessions of 1953-54 and 1957-58 and will be signalled by a slowdown in sales of consumer durables.

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 22 (16th week of 1960):

	April 15-22	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	101,809	105,251	97,485	1,892,656	1,687,993
Total radio .....	317,964	311,974	263,434	5,396,840	4,383,442
auto radio .....	105,218	91,642	108,122	2,164,900	1,668,891

One-day color-TV promotion staged on Palm Sunday by RCA Victor distributor Sidles Co., KMTV Omaha and WHO-TV Des Moines (Vol. 16:15 p21) proved a colorful success, reports Sidles executive Ken Donahoo. The 120 participating dealers attracted more than 25,000 people to color demonstrations, and sold more than 200 color TVs. "We anticipate that the best results are yet to come," Donahoo said, noting that most of the dealers made little or no effort to sell. "Over 25,000 people took time on a Sunday to sit in a dealer's store and watch color TV," he added. "To us, this indicates a tremendous potential for the future."

Jerrold Electronics is negotiating with an eye to acquisition. It's understood that Jerrold is in discussion with companies in a number of fields—including test instruments & electronics, radio communications & radio stations. Jerrold's newest consumer product, a flexible flat printed-circuit antenna for installation in attics or under the rug will get its first marketing test this week in Baltimore at \$9.95, through Herschel Cohn dept. store.

Only electronic organ to be built in Canada for home use goes into production soon by Dominion Electrohome Industries for late-fall marketing at \$895.

**World Market Fight:** The rising tide of foreign competition will engulf the U.S. domestic market unless American industry fights to hold & increase its share of the world market, International GE executive F.B. Gray warned the American Home Laundry Mfrs. Assn. convention in Florida last week. Gray, IGE Hotpoint export sales div. mgr., said the penalty for industry's continued unconcern about foreign markets will be a decreasing share of world business and increasing foreign competition & strength.

"The overseas market, in general, is larger and is growing more rapidly than the market in the U.S.," he pointed out, adding: "The U.S. is losing its traditional basic advantage of mass production & overwhelming scientific technology. Last year more automobiles were produced outside the U.S. than were produced within. In 1958, more refrigerators were produced outside the U.S. than within." (He could have said the same thing about TV. During 1959, an estimated 12 million TVs were added to foreign-sets-in-use, compared with total U.S. production of 6.2 million TVs.)

Gray emphasized that the need & desire to increase their standards of living are spurring foreign countries to step up exports. "For example," he noted, "it is estimated that Japan can only feed 70% of their people with their present agricultural resources. Hence, they must export if they are going to obtain the necessary foreign exchange to procure the food they need to survive."

How to meet the challenge? Gray recommends a change in U.S. attitude toward world markets and the application of American know-how to develop an overseas distribution system, to solve the service problem, and to make products that fit the needs, habits, budgets of overseas customers.

"There can be no question that we will have to face formidable foreign competition," he said. "The question is, 'Where should we choose to face this competition?' Should we give them free access to the export markets and thereby help them develop the additional strength with which to invade our domestic market, or should we meet them now in their export markets?"

Phono record sales in 1959 totaled about \$225 million at factory net prices, according to a preliminary estimate in the annual report of the Record Industry Assn. of America, issued last week. RIAA said this rate of growth from the \$198 million of 1958 is about the same as the 10% increase shown from 1957 to 1958. If all records had been sold at list price, said RIAA, total 1959 retail value would have amounted to \$472.5 million. The report estimated that stereo discs probably accounted for at least 20% of all 12-in. LP records last year. An outstanding trend was the growth of album sales, which represented about 65% of all dollar sales—completely reversing the long-term relationship between albums & singles.

Components shipments in 1959 hit a record, more than 30% above 1958, according to figures released by the Commerce Dept.'s Business & Defense Services Administration. In the last half of 1959, it noted, semiconductor devices exceeded receiving tubes for the first time—\$217.8 million vs. \$186.1 million. In the same period, power & special purpose tubes shipped were valued at \$127.3 million, TV picture tubes \$129.3 million (6,956,000 units); capacitors \$122.9 million, "complex" components (package circuits, etc.) \$5.9 million, connectors \$76 million, quartz crystals \$7 million, relays \$83.6 million, resistors \$121.8 million, transformers & reactors \$74.6 million.

RCA's first-quarter portable-radio sales soared 72.3% above the year-ago level to rack up the biggest increase in 35 years of portable sales, reports RCA Sales Corp. Pres. Jack Beldon. The sales achievement, he said, takes on added significance in light of 3 developments: "First, industrywide portable sales for the first quarter were slightly under 1959. Second, this record dwarfs even the gains of 1959 when RCA experienced the greatest radio year in its history, with sales 33% over 1958. Third, it comes at a time when foreign manufacturers are attempting to strengthen their position in our domestic market." Beldon also announced 3 new RCA Victor transistor portables: the Model 1T1 Ensign (\$34.95), Model 1T2 & Model 1T3 deluxe versions (\$39.95). He described the Ensign as the new version of the most popular portable in RCA history, the Model T-1 Rio.

Japanese were indirectly credited by a Motorola official last week with stimulating the current boom in home radios. National radio & stereo sales mgr. W. E. Laswell said the Japanese-introduced miniature radios have prompted consumer interest in all types of home radios and have caused "renewed sales in radio receivers that may put not only a radio in every room but a radio in every pocket." Japanese competition, he added, should "work to the advantage of the American consumer & the American manufacturer who is willing to take aggressive steps to meet the challenge." Motorola's first-quarter radio sales, he stated, were 70% above the same 1959 period, with sales of portables up 81%, table models 65%, clock radios 61%.

U.S.-made transistor radios are preferred by Americans—and most of them are willing to pay \$5 more for one than for a Japanese product. This conclusion was reached in a survey of 2,500 families in the metropolitan Los Angeles area conducted by the Woodbury College Research Clinic for Admiral. More than 72% of respondents indicated a U.S.-made set would be worth the \$5 differential.

Japanese TV sets and stereo consoles will be shown to selected dealers & distributors May 9-13 by Delmonico-International div. at parent Thompson Starrett Co.'s executive offices, 745 Fifth Ave., N.Y. The full line, made by Victor Co. of Japan (Vol. 16:14 p20), will include 17-, 19-, 21- & 23-in. tube-type sets, an 8-in. transistor set and 21-in. color sets, as well as stereo, radios, recorders, etc. Details of Delmonico's slim 17-in. portable were released last week. Features: 16 tubes plus double diode, 110-degree picture tube, telescoping antenna, briefcase-type metal cabinet 10-in. deep. Price of the set hasn't yet been established. The stereo-AM-FM console will retail for \$129.95. For dates of other Delmonico showings, see calendar on p. 17.

GE's electronics business topped one billion dollars in 1959 to account for nearly 25% of total operations, vp C. W. LaPierre told stockholders at the annual meeting last week. "GE is playing a larger, more important & more varied role in this exciting growth area than is generally realized," he said. La Pierre, who heads GE's electronics & flight-systems group, described electronics as the fastest growing phase of GE's business. Chmn. Ralph J. Cordiner noted that GE today has 4 electronics divisions, including the TV-radio div., compared with one in 1949. He added: "What may be more impressive is that each of these 4 divisions did a greater dollar volume of business in 1959 than the total business of the components included in the electronics division of 1949." (For first-quarter report, see Vol. 16:16 p18.)

**Trade Personals:** Robert E. Kenoyer, former Sylvania controller, appointed to new position of vp-gen. mgr., Sylvania home electronics div., reporting to senior vp Marion E. Pettegrew. Robert L. Shaw resigns as pres. of Sylvania Home Electronics Corp., succeeded by Peter J. Grant, ex-vp-national sales mgr. of the marketing subsidiary. Shaw says he will announce his future plans shortly.

George K. Bryant resigns as special projects mgr., RCA consumer products div., after 19 years as an RCA official . . . Frederick J. Anderson named engineering dir., Sylvania Electronic Systems data systems operations . . . Wilson R. Smith promoted from engineering mgr. to chief engineer, semiconductors, CBS Electronics; Donald Hunter named semiconductor production superintendent.

Webster H. Wilson, operations exec. vp of Hazeltine electronics div., elected pres. of Hazeltine Corp., succeeding William A. MacDonald, who continues as chmn.; Wilfred M. McFarland, Hazeltine exec. vp & pres. of Hazeltine Technical Development Center, adds title of vice chmn.; Richard L. Beam, former engineering exec. vp, promoted to exec. vp & chief operating head, Hazeltine electronics div., succeeding Jennings B. Dow, recently elected pres. of Hazeltine Research Corp.

Herbert H. Schenck, ex-Page Communications Engineers vp & dir. of engineering, named exec. vp & gen. mgr. of U.S. Underseas Cable Corp., jointly owned by Page, Phelps Dodge, Northrop, and Felten & Guillaume of West Germany . . . George M. W. Badger appointed to new post of product mgr., Eitel-McCullough power klystrons . . . H. Vincent Harsha, ex-Raytheon, named Stromberg-Carlson patent counsel.

Dr. Franklin E. Lowance, ex-Crosley engineering vp, appointed pres., Advanced Technology Corp., research subsidiary of Electronic Communications Inc., St. Petersburg . . . Named Raytheon vps were Stuart D. Cowan, commercial mktg. & international services; John E. Gagnon, industrial relations; Robert L. McCormack, industrial components div.; Dr. Martin Schilling, govt. programs & planning . . . Theodore Lindenberg, ex-Pickering Co. chief engineer, named Astatic Corp. dir. of engineering.

Keith M. Perkins named PR dir., International Electric Corp., an associate of ITT . . . William H. Buck, ex-Baldwin-Lima-Hamilton, named ad & sales promotion mgr., Raytheon commercial apparatus & systems div. . . . George R. Marek, vp-gen. mgr., RCA Victor record div., elected pres. of Record Industry Assn. of America, succeeding Irving B. Green, Mercury Records. Elected vp: Arnold Maxin, MGM Records; Leon Hartstone, London Records; Samuel H. Clark, Am-Par Record Corp. John Stevenson, Childrens Record Guild, appointed treas.

Second RCA nuvistor tube type is now available to equipment manufacturers on a limited sampling basis. The new small-signal tetrode, RCA said, is designed for mixers, oscillators, IF amplifiers and low-level video amplifiers. It is one-third the size of conventional RF amplifier tetrodes and consumes about half as much heater power. Commercial production of an industrial nuvistor triode began earlier this year.

Muntz TV is shopping for Japanese-made transistor-TV chassis or complete sets, and is considering an arrangement to buy them from Kofuku Sangyo, Nagoya manufacturer, through Skinkyo Trading Co., according to a Tokyo-dated interview with Muntz Pres. Wallace A. Keil in *Home Furnishings Daily*.

## Finance

**SET MAKERS' MIXED PICTURE:** Trend of profits & sales by companies predominant in the TV-radio-phono field is mostly up, but some declines have been reported for the first quarter. Liquidation of merchandise by competing manufacturers is cited in several of the reports (see p. 18). Summary of financial reports & official comments this week:

Zenith's sales & profits set first-quarter records, 15% & 16% higher than that reported in the same 1960 period, Chmn. Hugh Robertson told stockholders. TV & radio shipments were substantially ahead of last year, while phono sales declined. The preliminary report for Zenith & subsidiaries for 3 months ended March 31 (1959 shares & per-share earnings adjusted to reflect stock split in May 1959):

	1960	1959
Net sales .....	\$68,144,976	\$59,220,776
Net profit .....	3,855,129	3,323,891
Per common share .....	1.30	1.12
Common shares .....	2,954,784	2,954,784

\* \* \*

Philco reports a 6.5% sales increase & slightly higher earnings for the first quarter, rises in govt. & industrial volume outweighing somewhat disappointing consumer-goods sales. For first quarter:

	1960	1959
Sales .....	\$101,781,000	\$95,558,000
Net earnings .....	1,615,000	1,589,000
Per com. share (after pfd.)	37¢	37¢
Com. shares (Apr. 3, '60)	4,075,466	4,075,466

\* \* \*

Magnavox first-quarter sales & earnings set new records, Pres. Frank Freimann reported last week—profits increasing 51%, sales showing 23% gain over first-quarter 1959. With govt. & industrial electronics div. billings "abnormally low" (although the order backlog was at a record of more than \$70 million), consumer-products sales were largely responsible for the increases, TV-stereo sales rising 35%. For 3 months ended March 31 (per-share earnings for 1959 adjusted to reflect stock dividend & split; 1959 shares outstanding as of Dec. 31, 1959):

	1960	1959
Sales .....	\$28,676,000	\$23,365,000
Net income .....	1,266,000	841,000
Per common share .....	54¢	36¢
Common shares .....	2,353,571	2,351,602

\* \* \*

Hoffman sales & profits for first quarter were substantially below the year-ago period, but Pres. H. Leslie Hoffman told stockholders that this had been expected and that the earlier forecast for record 1960 sales is still "reasonably sure of being attained." He predicted a quarter-by-quarter profit increase, with 4th-quarter earnings due to set a record. The major factors affecting first-quarter profits, he explained, were the start-up load of the new semiconductor plant, the delay in beginning shipments against a large military contract, and a price deterioration in the TV industry. Hoffman vp-treas. Carroll F. Underwood, was quoted last week in *The Wall Street Journal* as predicting the company's 1960 net will decline to about \$1.5 million (\$1 a share) from last year's \$1,990,165 (\$1.31) while sales will climb to \$64 million from \$46 million. For 3 months ended March 31:

	1960	1959
Sales .....	\$10,215,897	\$11,432,477
Net earnings .....	2,530	526,273
Per share (reflects split)	—	35¢

Packard-Bell Electronics sales & earnings declined in fiscal-1960's first half despite a 30% spurt in sales of the home products div., Pres. Robert S. Bell told the San Francisco Society of Security Analysts last week. A major factor in the overall decline, he explained, was a 34% drop in sales of the technical products div. Discussing Packard-Bell's increasing participation in industrial & military electronics, he said: "It has been estimated that the electronics industry will gross \$20 billion annually by 1970. Of this amount, about \$9 billion will go into industrial electronics, in such important areas as data-processing equipment, industrial process controls, communications and closed circuit TV. Our long-range planning toward the industrial electronics field does not mean that our interest & activity in military electronics have lessened." During the first half, he noted, sales of Packard Bell Computer Corp. increased 194%; sales of the service div. gained 6%.

	1960	1959
For 6 months ended March 31:		
Net sales .....	\$23,712,089	\$24,125,962
Net income .....	491,101	717,723
Per common share .....	61¢	1.04
Common shares .....	811,727	691,600

American Television & Radio Co., St. Paul, accused last year of falsifying an SEC stock registration exemption statement (Vol. 15:27 p24), has agreed to a U.S. District Court order there enjoining it & Pres. Albert A. Goffstein from further stock sales. SEC applying for the temporary injunction, had accused the company & Goffstein of making over-the-counter deals in securities despite suspension of the 1959 statement. The federal court order forbids any further violation of anti-fraud provisions of the Securities Act. In last year's action, SEC challenged ATR claims about the market for its auto radio vibrators and for a "unique" TV merchandising plan.

Wometco Enterprises has extended its enterprises by acquiring a controlling interest in the Miami Seaquarium, Pres. Mitchell Wolfson announced at the first annual stockholders meeting recently. The TV-radio broadcasting, theater-chain and vending-machine concern had a net income of \$936,336 on a gross of \$10,364,753 in 1959, he reported. Wometco's stock is sold over-the-counter. It has 1,426 stockholders in 32 states, Canada & the Bahamas.

Reports & comments available: AB-PT, discussion, Schweickart & Co., 29 Broadway, N.Y. 6 . . . General Dynamics, review, Penington, Colket & Co., 70 Pine St., N.Y. 5 . . . Applied Electronics Corp. of N.J., prospectus, S. D. Fuller & Co., 26 Broadway, N.Y. 4 . . . NAFI Corp., prospectus, Shields & Co., 44 Wall St., N.Y. 5.

Audio Devices, maker of magnetic tape & discs, anticipates \$7 million sales in 1960, more than 20% over 1959. So said Pres. William T. Hack last week at the company's stockholders meeting.

**SKIATRON PROSPECTS DIM:** The future of the Skiatron pay-TV system depends now on the financial health of Matty Fox—and neither the diagnosis nor prognosis of his situation is heartening. All sides in a lengthy SEC case agreed on that last week.

Winding up SEC hearings on charges that Skiatron TV & Electronics filed a misleading stock registration statement (Vol. 16:17 p18), lawyers representing SEC, the company, Skiatron TV Pres. Arthur Levey and Fox & his Skiatron of America signed a 23-page stipulation of accepted facts—all of them gloomy.

The stipulation—relating that Fox's Skiatron of America, sole licensee of the pay-TV system, has total liabilities of nearly \$4,650,000, only \$1,000 cash, \$17,000 in other current assets and "no funds for its current business operations"—said:

"A solution for Fox's financial position is therefore a condition precedent to the development, promotion & operation of a subscription TV system by the licensee for the benefit of the registrant [Skiatron TV].

"Fox's present sources of credit are limited because of the foregoing indebtedness & the unavailability of collateral. In this connection, Fox does not own any Skiatron, Guild Films or Les Fabrics stock, and his interest in Television Industries Inc. [see Vol. 16:14 p21] is limited to a beneficial interest in securities which are already pledged. He has no other substantial beneficial interest in publicly owned companies."

Skiatron of America "has no source of income at the present time," the stipulation conceded. And as for Levey's Skiatron TV: "The registrant has no available source of income at the present time sufficient to enable it to finance with its own resources a subscription TV system. It must rely upon Fox and/or Skiatron of America Inc., or some successor to the 'Fox franchise.'"

**Statement Filed April 28**

The statement was signed for Skiatron TV by the pay-TV firm's special counsel ex-SEC Chmn. James M. Landis; for Levey by Julian Jawitz; for Fox & Skiatron of America by Francis Purcell. It was filed April 28 with SEC examiner Robert N. Hislop at a brief Washington hearing at which it also was agreed that an intermediate report & recommendations by Hislop would be bypassed in favor of direct referral of the Skiatron TV registration case to the full Commission.

The opposing SEC & Skiatron TV lawyers in the proceedings have until May 19 to file briefs. Then SEC will decide whether to: (1) Issue a stop order against Skiatron TV's 1959 registration statement, invalidating it. (2) Lift SEC's suspension of trading in Skiatron TV stock, permitting the company to get back into the market again.

Delisting of Skiatron TV stock from the American Stock Exchange was not an issue in the registration hearings. Such a move against the pay-TV company would require SEC or the American Stock Exchange to institute a separate case against Skiatron TV and then carry it through additional hearings to a ruling by SEC.

The stipulation contained one section, titled "contingencies," which summarized Skiatron's (and Fox's) pay-TV problems this way:

"The following conditions & events, in particular, must occur before the pay-TV system as conceived by the licensee begins operations:

"(A) Capital. The capital required for the initiation of the wire system as contemplated consists of 3 types.

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk. of Record
Desilu Productions . . . .	Q	\$0.15	May 27	May 13
P. R. Mallory . . . . .	Q	.35	Jun. 10	May 11
Oak Mfg. . . . .	Q	.25	Jun. 15	Jun. 1
Sonotone . . . . .	Q	.07	Jun. 30	Jun. 3
Stanley Warner . . . . .	Q	.30	May 25	May 9
Stewart-Warner . . . . .	Q	.35	Jun. 11	May 20
Thompson Ramo Woold	Q	.35	Jun. 15	May 31
Tung-Sol . . . . .	Q	.35	Jun. 2	May 12
Walt Disney . . . . .	Q	.10	Jul. 1	Jun. 17
Westinghouse . . . . .	Q	.30	Jun. 1	May 9
Zenith . . . . .	Q	.40	Jun. 30	Jun. 10

The first is capital of an amount essential to restore financial stability of the licensee. Secondly, the licensee, through association, affiliation or otherwise, must be able to acquire programming of the quality and at a cost sufficient to service requirements of any operating company. Thirdly, financing is required for the construction & operation of a wire system of sufficient size to be commercially feasible. To date there are no existing agreements to obtain either type of the financing noted above.

“(B) Wire network. A contract with the telephone company in whose territory the system is to be operated must be executed. . . . Before the telephone company executes a firm contract for construction of a cable system, not only must it receive the total amount of money necessary for such construction, but it must have tariffs or rates established by appropriate state public service authority.

“(C) Solicitation-installation & billing for subscribers. No contracts have been executed with an organization to advertise & solicit customers for the system. It is contemplated that neither the registrant nor the licensee or its sublicensee will undertake to perform this service . . .”

And the stipulation's concluding paragraph indicated that even if all these conditions are met, Skiatron TV won't won't be in pay-TV clover under terms of Fox's licensing agreement:

“The revenues hoped to be derived from subscriber viewing of programs are the major source of potential income to the registrant. However, all income over & above the 2½% royalty on proceeds from actual viewing of programs transmitted via the air system payable to the registrant inure to the benefit of the licensee & others.”

Other sections of the stipulation reviewed Skiatron TV's business history since 1950, difficulties with FCC & Congress, the company's tie-up in 1954 with Fox, and Fox's subsequent operations, some of which were explored in testimony at the SEC hearings.

The stipulation served to dispel at least one persistent rumor in the TV trade: That Skiatron had the Los Angeles Dodgers sewed up for pay-as-you-see baseball games on the West Coast. Recounting how Fox had undertaken to pay “approximately \$370,000 (part of which is still owing)” as an advance to the Dodgers “to keep open the negotiations,” the stipulation said bluntly: “There is no contract or agreement between the Los Angeles Dodgers & the licensee.”

Fairchild Camera & Instrument Corp. reports increased sales & earnings for the first quarter. The company last week notified its shareholders that the annual meeting had been postponed to permit them to vote on the proposed acquisition of Du Mont Labs (Vol. 16:14 p4). For 3 months ended March 31 (1959 per-share earnings based on shares outstanding March 31, 1960):

	1960	1959
Sales .....	\$13,838,000	\$9,375,000
Net income .....	801,000	385,000
Per common shares .....	77¢	37¢
Common shares .....	1,039,140	476,122

Amphenol-Borg Electronics posted healthy sales & profit gains in 1960's first quarter, and Chmn. Arthur J. Schmitt anticipates a 15-20% increase in both areas for the year. For the quarter ended March 31:

	1960	1959
Net sales .....	\$15,562,129	\$13,032,531
Net income .....	789,182	608,498
Per common share .....	67¢	51¢
Common shares .....	1,175,774	1,167,294

General Precision Equipment Corp. has established a transistor-manufacturing company and expects to be producing in large quantities in about 6 months, Chmn. J. W. Murray told the annual meeting last week. He also reported that GPE's first-quarter sales & earnings were markedly ahead of the year-ago levels. Murray said that the new Kearfott Semiconductor Corp., with facilities at West Newton, Mass., will initiate production with silicon & germanium switching transistors. He added: “An intensive research & development program is being initiated on mesa & power transistors, tunnel diodes, molecular circuitry, and special packaging techniques.” GPE uses a large quantity of semiconductors in its various products & equipment. Kearfott Semiconductor Corp. will be headed by Chmn. Robert N. Brown & Pres. Stephen Cudlitz. Brown is vp & gen. mgr. of GPE subsidiary Kearfott Co. Inc. Replying to a stockholder's question, Murray described as “friendly” relations with the Martin Co., which holds some 14% of GPE's voting stock. He said there have been no merger talks. In the table below, the 1959 income includes \$163,436 capital gains. Consolidated report for the quarter ended March 31:

	1960	1959
Sales .....	\$55,656,921	\$47,035,711
Net income .....	1,322,000	920,007
Per com. share (after pfd.)	86¢	57¢
Common shares .....	1,125,810	1,125,810

Globe-Union posted moderate profit & volume gains in the first quarter, and anticipates “a nominal increase in sales & earnings” for the overall year, Pres. Chester Wanvig Jr. told the annual meeting last week. He noted that battery sales were off from a year ago, but pointed to the “increasing contribution” of the concern's electronics div. The electronics market is expanding at a rapid rate, Wanvig said, and “we expect our Centralab Electronics div. to reflect that growth.” Stockholders of the Milwaukee maker of storage batteries, electronic equipment & components, motors, other products, approved a 25% increase in authorized common stock—to 1,250,000 from one million shares.

For the quarter ended March 31:

	1960	1959
Sales .....	\$14,368,111	\$14,113,097
Earnings .....	442,600	420,428
Per common share .....	53¢	51¢

Beckman Instruments tallied marked increases in both sales & earnings during fiscal-1960's 3rd quarter & the 9 months to March 31. In the table below, the 1960 figures include a non-recurring income of \$442,500 (32¢ a share) from the recent sale of subsidiary Shockley Transistor Corp. to Clevite Corp. (Vol. 16:17 p19). The 1959 figures reflect a non-recurring income of \$172,360 (13¢) from the sale of a plant. For 9 months ended March 31:

	1960	1959
Sales .....	\$39,420,377	\$32,499,588
Net income .....	2,406,347	1,432,884
Per common share .....	1.75	1.06
Common shares .....	1,377,412	1,356,464

For 3 months ended March 31:

	1960	1959
Sales .....	\$13,977,412	\$11,292,845
Net income .....	1,144,155	418,395
Per common share .....	82¢	31¢

Radio Condenser Co. more than doubled profits on a substantial sales increase in the year ended Dec. 31:

	1959	1958
Net sales .....	\$12,424,662	\$10,643,855
Net income .....	288,330	111,716
Per common share .....	66¢	26¢

Indiana General Corp. confirmed in its "Letter to Shareholders" last week that first-quarter earnings were 15% ahead of the year-ago pace (Vol. 16:17 p19). Pres. Robert F. Smith reported that "all divisions & subsidiaries are operating profitably." He added: "Although business was at a somewhat lower level in some areas of the company at the end of the quarter than it was at the beginning, other areas have shown an increased trend, so that the overall balance points to a good year, barring any unforeseen disturbances." In the table below, the 1959 figures reflect a "pooling of interests" to give effect to the merger Nov. 16, 1959 of General Ceramics into Indiana Steel Products Co. For the 3 months ended March 31:

	1960	1959
Net income .....	\$379,515	\$330,298
Per common share .....	68¢	59¢
Common shares .....	562,261	562,261

Siegler Corp., which embraces Olympic Radio & TV, David Bogen Co., Presto Recording, Hallamore Electronics, other divisions & affiliates, reports gains in sales & earnings in 9 months to March 31:

	1960	1959
Sales .....	\$64,733,387	\$60,269,081
Net income .....	2,467,000	1,732,080
Per common share .....	1.50	1.11
Common shares .....	1,644,402	1,559,655

For the quarter ended March 31:

Sales .....	\$19,673,556	\$19,101,362
Net income .....	708,122	500,419
Per common share .....	43¢	32¢

General Transistor Corp. reports gains in sales & earnings for the first 3 months of 1960. In the table below, in the quarter ended April 3 (1959's figures adjusted for 25% Apr. '59 stock dividend):

	1960	1959
Net sales .....	\$3,060,200	\$2,218,400
Net income .....	181,900	162,300
Per common share .....	21¢	21¢
Common shares .....	885,200	781,204

Arvin Industries, Columbus, Ind. radio manufacturer, reports a modest profit increase on a healthy sales gain in the quarter ended April 3 (1959's figures adjusted to reflect 25% Apr. '59 stock dividend):

	1960	1959
Net sales .....	\$17,294,789	\$15,938,426
Net income .....	545,892	512,233
Per common share .....	48¢	45¢
Common shares .....	1,132,134	900,480

Sangamo Electric Co., Springfield, Ill. maker of electronic components, reports a drop in earnings and a moderate sales decline in quarter ended March 31:

	1960	1959
Sales .....	\$11,743,000	\$11,922,000
Net income .....	296,000	776,000
Per common share .....	37¢	97¢
Common shares .....	808,398	803,622

Dynamics Corp. of America sharply increased sales & earnings in the quarter ended March 31:

	1960	1959
Sales & other income ...	\$10,072,708	\$6,385,418
Net income .....	502,283	317,926
Per com. share (after pfd.)	14¢	7¢
Common shares .....	2,778,667	2,667,094

American Bosch Arma paid approximately \$3 million in cash for Tele-Dynamics Inc., Philadelphia, acquired Feb. 5 from RCA Victor distributor Raymond Rosen & Co. (Vol. 16:6 p21). American Bosch Pres. Charles W. Parelle also said last week that Tele-Dynamics is operating profitably.

Ling-Altec Electronics & Temco Aircraft Corp. will merge into Ling-Temco Electronics Inc., subject to the approval of directors & stockholders of both concerns. The proposed merger is described as a major step "to develop into one of the leading & most diversified companies in the electronics & missiles industries." Dallas-based Temco primarily designs & makes jet aircraft, missiles and weapons systems. Ling-Altec, has its hq in Culver City, Cal., produces a range of products including electron tubes, components, TV & communications gear. Total assets of the 2 concerns were listed at more than \$69 million, with a combined stockholders equity of \$24.3 million. The merger announcement put combined 1959 sales at \$148.8 million and combined backlogs at about \$133 million at the end of 1959. The proposed slate of officers for the new company lists Temco Pres. Robert McCulloch as chmn. & chief executive officer. Ling-Altec Chmn. James J. Ling would be vice-chmn. & executive committee chmn. Temco exec. vp & gen. mgr. Clyde Skeen would be president. Ling-Altec vp-secy.-treas. Lee D. Webster would become exec. vp. Tentative plans call for each Temco stockholder to get six-tenths of a share of Ling-Temco stock for each share of Temco. Ling-Altec stockholders would exchange for Ling-Temco shares on a 1-for-1 basis.

Thompson Ramo Wooldridge anticipates a "modest" sales increase for 1960 but no "dramatic improvement" in earnings "at this time," Chmn. J. D. Wright told the Boston Society of Security Analysts recently. "The company has a way to go to accomplish the transition that has been under way in the past few years," he explained. In 1957, TRW's military sales accounted for 72% of total volume, compared with the 1960 projections of 60% military, 40% non-military. Compared with 1957, the concern's electronics business is expected to rise from 6% to 25% of total.

Lab for Electronics Inc., Boston maker of military electronic equipment, has submitted an SEC registration statement (File 2-16490) for 100,000 common shares to be offered initially to stockholders. The company said it needs \$2 million in new working capital to finance its business at its present rate and for expansion. Terms of the stock offering, underwritten by Paine, Webber, Jackson & Curtis, were to be supplied in amendment to SEC statement.

Avnet Electronics Corp. has recommended a 2-for-1 stock split, subject to shareholders' approval, at a special meeting May 10. The split would be accomplished by a share-for-share distribution after an increase in authorized stock to 3 million shares (5¢ par value) from the current 1 million (10¢). The Westbury, N.Y. producer of electronic components, special tubes, other products, has about 775,000 shares outstanding, 63% controlled by the Avnet family.

Electronic Associates Inc., Long Branch, N.J. manufacturer of electronic equipment, more than doubled profits on record sales in the year ended Dec. 31:

	1959	1958
Net sales .....	\$14,482,000	\$10,216,000
Net income .....	803,000	314,000
Per common share .....	1.11	43¢

Tung-Sol Electric reports gains in sales & earnings in the 13-week period to April 2:

	1960	1959
Net sales .....	\$20,008,795	\$17,613,971
Net income .....	796,627	770,923
Per com. share (after pfd.)	80¢	78¢
Common shares .....	924,521	906,747

Sonotone Corp. believes 1960's sales & earnings "will equal 1959's record results" and even top them "if any one of our new products really takes hold," Chmn.-Pres. Irving I. Schachtel told stockholders at the annual meeting. Last year Sonotone earned \$1,132,302 (96¢ a share) on sales of \$24,756,708 (Vol. 16:13 p22). Among Sonotone's new products: rechargeable battery for flashlights, low-price pickup cartridge for phonographs, a remote-control unit for TV which, Schachtel said, is now being sampled by major set-makers. He told the meeting that Sonotone would like to lower the percentage of volume (about 50%) now derived from hearing aids, and is seeking acquisitions in the electronics industry. The Elmsford, N.Y. concern also wants to increase its govt. business, which currently accounts for some 20% of sales. Schachtel reported that Sonotone has introduced a vitamin line as a traffic-puller for its hearing-aid dealers (Vol. 16:3 p20). "The response to our vitamins has been most enthusiastic," he stated, "but it's too early to evaluate them."

Rek-O-Kut Co., Corona, N.Y. maker of hi-fi recording & reproduction equipment, posted earnings of approximately \$25,000 on sales of \$947,147 in fiscal-1960's first half ended Dec. 31, 1959. Pres. George Silber issued these figures in the company's first report to stockholders since shares were publicly sold last Nov. Sales for the same fiscal-1959 period totaled \$944,942. Comparable profit figures are not available. Silber reported that Rek-O-Kut is "seeking profit-producing products," is investigating "new channels of distribution," and has increased its leased manufacturing space by 30%. He also reported that the company has begun co-operative advertising with other hi-fi components manufacturers.

Textron Corp. is purchasing all of Bell Aircraft Corp.'s military business and 3 of its main operating units: Bell Helicopter Corp., Fort Worth; Hydraulic Research & Mfg. Co., Burbank, and Niagara Frontier div., Buffalo & Niagara Falls, N.Y. Textron will consolidate the group under the name Bell Aerospace Corp. Subject to approval by Bell stockholders, the defense subsidiaries reportedly would be sold to Textron for cash equivalent to the net book value of the assets, estimated at about \$30 million. Bell's defense operations in 1959 accounted for about 80% or \$100 million of total sales.

Magnetic Amplifiers' merger into Siegler Corp. has been approved by the former's stockholders (Vol. 16:7 p22), and the N.Y.-based manufacturer of aviation & missile electronic equipment will become a Siegler division. The merger involves the exchange of one share of Siegler for 3½ shares of Magnetic Amplifiers stock. Siegler Pres. John G. Brooks & Magnetic Pres. Harold A. Goldsmith said 122,343 shares were exchanged, increasing Siegler's outstanding shares to 1,766,088.

Varian Associates, Palo Alto manufacturer of electronic tubes & components, will acquire electronics concern Semicon Associates Inc. through an exchange of stock. Details of the transaction are not available, pending final negotiations. Semicon, which has an annual sales volume of \$500,000, embraces Semicon of Kentucky, in Lexington, and wholly-owned Semicon of California in Watsonville.

GT&E stockholders last week approved a 3-for-1 stock split, authorizing an increase in authorized stock from 30 million to 90 million shares. Also approved was an employee stock-purchase plan and authority for the company to issue & sell up to \$100 million in convertible debentures.

New mobile video-taping firm, International Video Tape Recording & Production Inc., has been organized in Cal., with public financing of 18,000 shares of common & 18,000 pfd. stock, sold at \$26 per unit of one common share & one pfd. share (\$468,000), with management buying an additional 18,000 common shares. The company is purchasing complete Ampex Videotape Cruiser at \$325,572, with 2 Ampex recorders, 3 Marconi 4½-in. cameras, one Telechrome special-effects generator and other equipment, will lease it to customers at the basic price of \$2,000 per day. The firm's management includes NBC technical dir. William F. Wallace, NBC-TV producer William A. Bennington, Beverly Hills investment broker Robert Brandt (Robert Brandt & Co.), Pasadena attorney Clarence Fleming, NBC Hollywood engineer John C. Heller, Hoover Electric Co. owner Dr. Vaino A. Hoover, securities broker Allen E. Shaw (Shaw & Co.).

TelePrompTer registered a net loss in 1959 despite a sales rise for the 8th consecutive year, Chmn.-Pres. Irving B. Kahn notified stockholders in the annual report last week. "The increase in sales," he pointed out, "was chiefly in activities where gross profit margins currently are low but should improve. In turn, expenses included substantial amounts for development & promotion of new areas of business, often of a pioneering nature." Looking ahead, he added: "We are now beginning to reap the benefits of our investment, and have every reason to believe that continued growth in these areas will make the year 1960 a profitable one." For the year ended Dec. 31:

	1959	1958
Gross revenues .....	\$3,761,721	\$3,414,499
Net earnings (loss in '59)	(121,744)	41,956
Per common share .....	—	12¢
Common shares .....	599,794	356,591

Famous Players Canadian Corp. (CKMI-TV & CFCM-TV Quebec City, Que., CKCO-TV Kitchener, Ont., 315 theaters & 37 drive-ins, CATV interests, pay-TV operation at Etobicoke) reports a 15% sag in consolidated net profit for the year ended Jan. 2. The net totaled \$2,259,058 (\$1.30 a share), compared with \$2,656,468 (\$1.53) in the preceding year. The consolidated report reflects the performances of all companies in which Famous Players owns more than 50% of voting shares.

20th Century-Fox Film Corp. reports a marked drop-off in both gross & net income during 1959. The 1959 net in the table below includes a \$1,830,000 gain from sale of certain studio properties. For 52 weeks ended Dec. 26:

	1959	1958
Gross income .....	\$119,851,807	\$124,998,120
Net income .....	4,163,135	7,582,357
Per common share .....	1.78	3.30
Common shares .....	2,338,536	2,293,186

Howard W. Sams & Co., Indianapolis publishing and electronics research & engineering firm, and subsidiary Bobbs Merrill Co. report a 38.7% increase in pre-tax profits on a 17.5% sales gain for the first 3 quarters of fiscal 1960, ended March 31. Sales rose to \$8,742,721 from \$7,443,794 in the year-ago period. Pre-tax profits climbed to \$899,773 from \$648,703. Chmn. Howard W. Sams forecast that consolidated earnings for the fiscal year ending June 30 will be the highest in the company's history.

Continental Electric Co. has changed its name to Cetron Electronic Corp. The Geneva, Ill. producer of electron tubes markets many of its products under the Cetron brand.



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## SUMMARY-INDEX OF WEEK'S NEWS

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**FCC MOVES TO EXAMINE** "promise vs. performance," telling its staff to draft proposed rules which will require stations to search out communities' needs and describe plans to meet them (p. 1).

**FCC FACES MASSES GUNS** on Sec. 317 front as more than 1,500 industry comments protest payola-plugola interpretations (p. 2).

**FORD IS PRO-SUPERVISION** & anti-violence, he reemphasizes in his Columbus & Cleveland speeches (p. 2).

**NEW VHF FIELD-STRENGTH CURVES** issued by FCC in vhf short-space rule-making. Status of existing stations clarified (p. 5).

**FM STEREO RULE-MAKING** started by FCC, which calls for industry comments by July 29 on 8 systems (p. 6).

**FCC'S RULE-MAKING RULES**, proposed to House for new anti-ex parte bill, allow informal contacts in "general" cases (p. 6).

### Film & Tape

**MOST PILOTS FIZZLE—AGAIN.** About 20 out of 150 pilots make the grade, as producers take their annual beating (p. 3).

**WGA PEACE IS ELUSIVE.** No break in 4-month-old writers' strike vs. TV film producers; SAG presents demands (p. 11).

### Congress

**SENATORS & FTC'S KINTNER** in love feast during confirmation hearing. FTC chairman says broadcasters "cooperating very, very well" and reveals program-rating investigation under way (p. 4).

**PAYOLA, ROYOLA & CLARKOLA** denounced as House probe winds up with ABC's Goldenson under fire (pp. 4 & 7).

### Manufacturing & Distribution

**ELECTRONICS SALES & PROFITS** continue to rise, although at slower rate. First-quarter compilation: profits up 10.8% (p. 20).

**RECORD COMPONENT SALES** detailed by govt. in table showing 2nd-half 1959 shipments were 12% higher than first half (p. 22).

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**NO TV "CZARS" WANTED,** TV Code Review Board Chmn. E. K. Hartenbower says, but he calls for more industry measures (p. 9).

**PHILCO'S NEW JAB AT RCA-NBC** is application for Ch. 3, now occupied by WRCV-TV Philadelphia (p. 10).

### Finance

**RCA HITS NEW SALES HIGH** of \$361.2 million and record profit of \$13 million in 1st 1960 quarter. Stockholders at May 3 meeting in N.Y. are told of gains on many fronts (p. 23).

**MOTOROLA EARNINGS CLIMB 16%** as first-quarter sales rise 10% to a record level. Outlook is for "an overall growth of about 10%" in 1960, Galvin tells stockholders (p. 23).

### Technology

**VIDEO-TAPE DEVELOPMENTS** described to SMPTE. Toshiba system principles outlined as "simpler approach" (p. 24). CBS-Ampex device removes distortion (p. 12).

### Other Departments

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**FCC MOVES TO EXAMINE 'PROMISE VS. PERFORMANCE':** Closer FCC eye on station performance is now formally in the works. Last week, Commission made bare announcement that it had instructed staff to draft report & proposed rules summarizing conclusions drawn from big network & program inquiry (Vol. 15:46 pl, et seq.).

No details were given. However, it's understood that staff has about 2 months to come up with proposals designed to make more stations more responsive to community needs. Chmn. Ford's favorite idea is keynote: Make stations show they've actively consulted community leaders and then have them describe to Commission how they plan to fill areas' needs. This would apply to both new applications & license renewals.

Commission would then examine stations at renewal time to determine whether they kept promises. There's also possibility of "sampling" station performance—presumably some form of monitoring.

Old concept of "balanced" programming is up for revision. Current practice is for Commission, in form of letter, to raise eyebrow when it finds station reporting it carries little or no education, religion, discussion, etc. Thought now is to let stations show how they may depart from this old "boilerplate" formula and still serve public interest.

When staff comes up with draft, Commission will then kick it around, probably for some time—because there's certainly no unanimity about proposals. It's assumed, for example, that Comr. Craven, at least, will balk strongly at any sharper program scrutiny. On other hand, some Commissioners aren't yet sure they want to drop requirement that stations show percentages of time devoted to categories, replacing it with

"narrative." They claim narratives would put impossible burden of evaluation on Commissioners & staff, that stories would obscure actual performance, that adroit wording could frustrate Commission intent.

Network investigation still isn't finished. Staff interviewed Hollywood film producers last winter and it's expected there'll be public hearing on subject sooner or later. There may be more hearings, too, featuring advertisers, agencies & networks—but this hasn't been decided yet.

**FCC FACES MASSED GUNS ON SEC. 317 FRONT:** Genuine alarm & apprehension—in contrast to sophistries & legalisms which sometimes characterize FCC pleadings—were reflected last week in 150-odd industry comments filed with Commission on its rigorous payola-plugola interpretations of Communications Act's Sec. 317 (Vol. 16:12 et seq.).

Biggest guns in broadcasting—NAB, networks, group-owned TV & radio stations, special-interest organizations—were drawn up separately but solidly against FCC's "sponsor identification" Public Notice 85460. Individual big- & small-market stations formed supporting batteries.

All fired protests that FCC went too far in its views on what Sec. 317 means—particularly in concluding that it calls for announcements when free records are played, or when free film & other materials & services are used on air.

"There is no fraud being perpetrated" on public if broadcasters don't go to lengths prescribed by FCC to keep listeners & viewers posted on sources of all such program resources, said NAB in its comments, which were representative of all bulky memoranda submitted to FCC. Calling on Commission to withdraw Public Notice 85460, NAB said document wouldn't serve public interest.

"Most certainly the public has a right to be made aware of those who 'sponsor' programs in commercial, political and other fields, so that they may know with whom they are dealing," NAB acknowledged. But it argued that continuous interruptions of shows to broadcast required identifications of program elements would be constant distractions to audience—and "actually contrary to the public interest."

Real payola practices—which "industry does not tolerate"—wouldn't be stopped in any event by all-out compliance with FCC's interpretations, NAB contended. Pointing out that "surreptitious payment" could still be made by record manufacturer to get "preferential treatment" on air, NAB said "enactment of a commercial bribery statute" is needed to deal with payola as crime.

Similar points were made in all industry comments—in varying language & with various stress. Many memoranda also complained about confusion spread throughout broadcasting field by FCC's notice—as "illustrated by the Commissioners' differing answers to questions" put to FCC panel at NAB's April convention (Vol. 16:15 p5).

Most small-market stations also decried economic effects of notice on them if manufacturers should discontinue free records as result of it. Receipt by station of recording "is so trivial a factor as to be de minimus and thus beneath legal cognizance," one typical comment said.

Industry consensus was that FCC is condemning it for practices—now labeled felonious—which have been accepted for many years as proper & legal, and that: (1) FCC should take back Public Notice 85460. (2) If it isn't withdrawn, FCC at least should have oral arguments on issues. (3) If neither alternative is followed, Commission should spell out exactly what it is trying to do—possibly through issuance of manual.

**FORD—PRO-SUPERVISION & ANTI-VIOLENCE:** By re-emphasis, FCC Chmn. Frederick Ford last week showed he's serious indeed about 2 objectives: (1) Closer supervision of station performance. (2) Reduction of violence in programming.

Ford's proposed technique for achieving the first has been offered by him many times—the "narrative-on-needs" concept. He'd have stations tell Commission, in descriptive statement (rather than by formula & percentages), what they believe are their areas' broadcast needs. Then, he'd have FCC hold broadcasters to meet such needs. It looks as if majority of his colleagues will agree with him (see p. 1). In address before Ohio State U. Institute for Education by Radio-TV in Columbus May 5, Ford stated:

"In the event the Commission decides to require the broadcaster to determine & submit evidence of the needs of his area as a standard of public interest upon which he is willing to be judged, many of the problems in this area will be solved. For if he does not meet the standards imposed on himself as a result of his

own investigations & proof, then he cannot successfully maintain that he has served the public interest, convenience & necessity."

Ford said FCC does have program-surveillance responsibilities. He cited court decisions to that effect. "A review of reported cases dealing with station programming," he said, "discloses consideration being given to the necessity of the licensees providing well-rounded or diversified programming; program balance; attentiveness to needs & interests of the public; the tastes, needs and desires of all substantial groups among the public; local live programming; fair & impartial treatment of controversial issues; and the need to serve the public, rather than the licensee's private interest. From this, I believe it is clear that the positive elements of programming in the public interest have been well charted."

Ford heartily endorsed NAB's TV & Radio Codes but said the reason FCC doesn't formally adopt them is because it "desires to refrain from any action which could be interpreted as being an attempt on its part to censor or place any type of prior restraint upon the content of radio & TV programs." How about a "czar" for industry? "Can best be left to the industry to determine," he said.

More stress on the "thou shalt" rather than the "thou shalt not" aspects of Codes was sought by Ford. He noted that TV Code in particular calls upon telecasters to advance education, culture, religion, welfare of children, etc., said emphasis should be placed on "affirmative requirements of the Code" as well as on "the extent to which the negative elements are being avoided." But Codes alone, he asserted, "are insufficient to perform the entire function of regulating radio & TV programming."

"Violence" was main topic of Ford's address next day in Cleveland before convention of American Women in Radio & TV. It was a followup of his initial statement on subject at NAB convention (Vol. 16:15 p6). "Although it is argued," he said, "that there is no scientific proof that violence on TV in any way contributes to juvenile delinquency or the rise in the criminal rate in our population, one fact stands out very sharply. Millions of dollars are spent by advertisers each year on TV to sell merchandise for many more millions of dollars. It is hard to believe in the terrific power of this media to sell merchandise and not believe that it can also sell violence. For surely, if it can sell one, it can sell the other."

"Violence on TV is sometimes defended by the high ratings some of these programs receive. It is said that these ratings indicate that the public is getting what it wants. The principal purpose of the huge expenditure by advertisers on programs is to draw crowds to hear the sales messages. But the question is raised in my mind—are broadcasters & TV writers using violence excessively to draw a crowd without giving thought to the effect that violence may have on immature minds? Are there not other ways to draw a crowd? Can this industry afford to take a chance on excessive violence?"

Ford showed he's no "anti-advertising" crusader, stating: "It is certainly in the public interest that advertisers, through this great mass medium of communications, have an opportunity to bring stimulating advertising messages to the public and inform it of new products, of new ways of doing things, of items for sale and of articles moving in the channels of industry & commerce."

Payoff on Ford's philosophy was shown clearly in his windup: "In conclusion, I would like to refer to a question I am sometimes asked: Is TV's responsibility to lead or to follow the people? Certainly, the industry has the responsibility to be sensitive to the public will & desires, but this does not mean that it must be a follower rather than a leader. I think it has the responsibility to lead, and of all the media of mass communications it is probably best able to blaze the trail of leadership in elevating us in spirit & in mind. In so doing, it will meet its challenges & serve in its highest form the public interest, convenience and necessity."

Sharing Ford's concern for prevalence of "violence" on TV—and seconding his expression of distaste for the idea of an industry "czar"—was TV Code Review Board Chmn. E. K. Hartenbower, who shared programs at Columbus & Cleveland meetings with the FCC Chmn. (see p. 9).

**MOST PILOTS FIZZLE—AGAIN:** Hollywood's annual fiasco—the process of producing 150 to 200 pilots, with only about 10-12% selling—is repeating itself this season. To date, with few time slots remaining on the networks for telefilmmers, only about 20 of some 150 pilots have been sold.

While 200 pilots were planned initially, the Writers Guild of America strike against TV film, which began Jan. 16, sliced probably 50 from this figure.

Telefilmmers will lose, conservatively, about \$7 million in unsuccessful pilots. (Some will recoup part of their losses by using such pilots in anthology series.)

Four Star Television leads the pilot-makers with 6 definite sales, a remarkable achievement in TV film's present circumstances. Sold were "The Tom Ewell Show," "Peter Loves Mary," "Willy Dante," "Stagecoach West," "Michael Shayne," "The Law and Mr. Jones." Four Star's track record is in sharp contrast to Paramount Television, Mark VII Ltd., and ITC, which thus far have failed to rack up a single pilot sale.

In the middle are MGM-TV, which after a dismal 1959 (no pilot sale) has sold 2 this season, Desilu Productions (2) and Screen Gems (3).

**SENATORS & FTC's KINTNER IN LOVE FEAST:** Tremendous contrast between FCC's & FTC's "images" before Congress has never been more apparent than last week, as Senate Commerce Committee questioned FTC Chmn. Kintner, who is up for new 7-year term starting Sept. 26.

Senators were full of commendation & goodwill as they examined Kintner—a striking change from the lambasting FCC got when Comr. Lee was up week before (Vol. 16:18 p3). Not that Lee himself caught much of it; he just happened to be handy.

If Kintner's confirmation is delayed, and there's no evidence that it will be, the cause will be pure politics—because he came off mighty well. Hard worker, fecund speech maker, consummate public relations man, Kintner unabashedly credited his interrogators with stimulating him & FTC improvements.

Most of Kintner's testimony was devoted to review of what FTC has done about payola & deceptive commercials—detailed in these pages from week to week—and the Senators were happy. Kintner said his TV monitoring people check 19,000 commercials a month. Broadcasters are "cooperating very, very well," he said, and commercials are becoming more "legal" and improving in taste.

One point he stressed: Advertisers should prepare "alternate" campaigns, voluntarily substituting a spare when FTC issues complaints against current presentations. FTC has no power to stop such commercials, he said, until litigation is ended—except in matters affecting health. He credited networks with "doing a better job," said liaison with FCC was "working well."

Sen. Pastore (D-R.I.) opined that industry self-policing isn't enough, that govt. must keep after offenders. Kintner agreed: "The big stick encourages more adherence to the law than anything I can think of."

Kintner also revealed that FTC is conducting investigation of program ratings. Said Chmn. Magnuson (D-Wash.): "Ratings ought to be honest." Said Monroney (D-Okla.), a long-time rating-baiter who still doesn't believe in samples: "Shouldn't ratings show the size of the sample?" He couldn't see how 750 sets could be a meaningful sample "out of 53 million." Kintner replied: "We haven't the full picture yet. The investigation is under way. We're still getting leads."

Kintner said FTC is concentrating on advertisers & agencies, not on media. "The man with the check-book has the greatest responsibility," he said. "We haven't cited media. We have the power to do so but I hope we won't have to. You can't expect media to examine all claims with a magnifying glass. They have a deadline problem."

Commended by Sen. McGee (D-Wyo.) for "increased tempo" of FTC activity since he became Chairman, Kintner stated: "I had the advantage of being on the Commission 11 years before I became Chairman. I knew where the bodies were buried, so to speak. American institutions tend to swing like a pendulum. They tend to get encrusted. It's time to take inventory. While I was there, the Commission gradually was doing a better & better job. There are still weaknesses. We'll keep trying & experimenting."

**ABC GETS INITIATED INTO HARRIS CLUB:** In day-long hazing rites, ABC last week became full-fledged network member—along with previously-inducted CBS & NBC—of House Commerce Legislative Oversight Subcommittee's club for harassed witnesses.

It was ABC's Leonard H. Goldenson's turn in payola probe to face Chmn. Harris (D-Ark.) & Oversighters, who last year took CBS Inc. Pres. Frank Stanton & NBC Pres. Robert E. Kintner over rough hurdles in quiz-show hearings. Subcommittee had berated them for failures to prevent or expose deceptions on air (Vol. 15:45 p5). Lacking quiz programming, ABC had escaped that ordeal. But now Goldenson was on witness rack for his network's involvement in Subcommittee's payola case against Dick Clark (see p. 7).

It did Goldenson little good to protest (much as Stanton & Kintner had done earlier, to little avail) that he & ABC "are unqualifiedly opposed" to any & all deceptions. One after another, Oversighters bore into him & ABC for doing too little too late to uncover & stop payola.

"I probably was not as alert to it as much as I should have been," Goldenson conceded at one point, echoing what Stanton & Kintner had said about quiz rigging on their networks. But Oversighters weren't mollified; their suspicious & hostile reactions to Goldenson's testimony continued.

"You've made a very good argument in favor of regulation of the networks," said Rep. Mack (D-Ill.) disapprovingly. "Quite candidly, I don't believe you," Rep. Moss (D-Cal.) snapped at Goldenson at another point, when ABC's chief was trying to justify his network's approval of American Airlines deal which Subcommittee called "plugola" & "deceptive advertising."

Goldenson put up argument that TV is young and has made mistakes but is improving itself. Subcommittee showed no signs of buying that, either. "How can it be so young and have so many bad habits?" Rep. Moss demanded, glaring balefully at Goldenson. Oversighters' long payola probe ended on that note—and on threats that TV network programming itself would be next in line for investigation. It wasn't one of broadcasting's better days on Capitol Hill.

## The FCC

**New Vhf Field-Strength Curves:** Engineers can now dig in with a new set of tools to prepare for June 20 filings in FCC's important rule-making designed to allow drop-ins of new vhf assignments at short spacings (Vol. 16:2 p2).

A new series of 3 field-strength charts was issued (Public Notice 60-499), superseding the original charts—and correcting some errors. The new curves were drawn up by the joint FCC-industry Radio Propagation Advisory Committee (RPAC)—and eliminate what FCC engineers describe as "slight errors" in the original. There are no longer separate charts for high & low vhf bands. The Commission tells why:

"RPAC reports that the assumption that there was a linear height gain when receiving antennas were raised from 10 feet to 30 feet (an assumption on which the charts in the present rules and the charts proposed in the original notice in this proceeding were based), led to the erroneous conclusion that for average terrain median fields at 30 ft. were higher in the upper vhf channels than in the lower vhf channels. The data have been re-analyzed and measurements were separated into three groups: i.e., low vhf (54-88 mc), FM band (88-108 mc), high vhf (174-216 mc).

"This analysis showed that the measured height gain used to convert measurements from 10 feet to 30 feet was 1.7 db above the linear height gain in the low vhf band, 1.3 db below the linear height gain factor in the FM band, and 3.4 db below the linear height gain factor in the high vhf.

"This would indicate that the actual height gain factor decreases with increasing frequency. This trend appears to be more consistent with recent observations that height gain is less in rough terrain than in smooth terrain. Since terrain of a given topography appears rougher to high frequencies than to low frequencies, the relationship between frequency and height gain can be supported.

"When the data which provided the basis for the Commission's present rules are replotted using the revised height gain factors there is no appreciable difference between the low vhf and high vhf service fields. RPAC therefore concludes that separate curves for the low vhf and high vhf bands are unnecessary."

The Commission also acted to clear up uncertainties about the effect new curves & standards would have on existing stations. It stated: "The original notice of proposed rule making in this proceeding did not make clear the status of existing TV stations insofar as compliance with the proposed new service field requirements over the principal city. It is proposed to permit existing stations

to continue to operate with their present facilities, on condition that any subsequent changes in the facilities would not result in their providing lesser service fields than they are now providing over the principal city. This policy would also apply to applicants who are in hearing at the time the proposed new requirements are adopted, if such action is taken by the Commission."

Conelrad test May 3 appeared to go off well, FCC engineers report, but they point out that analyses from the whole U.S. won't be compiled & summarized until July or Aug. In addition to reports from Conelrad field engineers, questionnaires are being filled out by the approximately 2,000 AM stations that participated. During the drill, all TV, most FM and all non-participating AM stations were off the air 2-2:30 p.m. In 15-20 states, FM defense networks, comprising off-air station-to-station relays, were given permission to stay on the air and test. During the alert, which was part of the 7th annual nation-wide civil defense training exercise conducted by OCDM, Conelrad stations carried messages by President Eisenhower, Defense Secy. Thomas S. Gates & OCDM dir. Leo A. Hoegh—in addition to messages from governors & city officials. All stressed the need for the public to learn what to do in the event of attack.

Comr. Bartley flies to London May 13 to assume duties of chairman of the U.S. radiotelegraph & radiotelephone delegation at the International Conference on Safety at Sea, which begins May 17. After the conference, Bartley will remain a week or so to inspect TV facilities of several major European countries. Other members of the delegation include ex-Comr. E. M. Webster, FCC Safety & Special Bureau chief Curtis B. Plummer, FCC Marine Div. staffers Duncan Peters & Harold Woodyard, consulting engineer C. M. Jansky Jr. of the Lake Carriers Assn., AFL-CIO Maritime Committee exec. secy. Hoyt S. Haddock, RCA Frequency Bureau mgr. Wayne Mason, AT&T engineer Frank C. Oblinger, Edward C. Phillips of the American Merchant Marine Institute, D. P. MacQuivey of State Dept.'s telecommunications div.

New secretary of FCC to replace Mary Jane Morris won't be selected for some time. FCC hasn't discussed the matter, hasn't weighed any names. Chmn. Ford is now studying an analysis of the job made by McKinsey Corp., management consultants, and no one will be selected until the position is re-evaluated.

**FM STEREO RULE-MAKING:** A start on long-awaited rule-making on FM stereo was made last week by FCC, which called for comments by July 29 on 8 systems but permitted reports filed in March by NSRC & RCA (Vol. 16:12 p6) to stand without resubmission.

Basically, what the Commission did was ask comments on the 7 stereo systems listed in NSRC's report plus the Philco system, which had been withdrawn from NSRC consideration but proposed separately to FCC.

FCC said detailed engineering data & analysis of the proposed systems in the comments should cover these points: (1) Definitions. (2) Technical aspects. (3) Need for frequency & modulation monitors. (4) Need for increases in transmitter power output. (5) Cost & practicability of transmitter modifications. (6) Cost & practicability of receiving equipment.

At the same time, FCC approved a "modest expansion of permissible subsidiary operations" in FM multiplexing by commercial stations, but rejected—for now, at least—proposals that educational FM stations be permitted to go into multiplex operations. FCC also turned down proposals to change standards in subsidiary FM operations.

Under the new Commission rules, FM broadcasters may be authorized to: (1) Use multiplex sub-channels to transmit special programs for "business, professional, educational, religious, trade, labor, agricultural and other special groups of subscribers." (2) Use sub-channels for re-lays to other FM & AM stations.

As an example of special-program multiplexing service which may be approved, FCC cited recent authorizations to WRCA-FM N.Y. for "doctor-casting." Permissible program-relaying service is typified by terms of temporary authority to KDKA-FM Pittsburgh to originate play-by-play descriptions of baseball games for other area stations.

In addition to turning down the proposals for educational multiplexing & changes in standards, FCC said it had "weighed & rejected" suggestions that FM stations be permitted "to undertake signaling, control, telemetering or communications activities" unrelated to broadcasting.

FCC Comr. Lee, up for confirmation for another term, last week supplied Senate Commerce Committee Chmn. Magnuson (D-Wash.) with data requested on 2 points at his April 27 hearing (Vol. 16:18 p3). Lee offered this legal summary from an 11-page brief prepared by his asst. Thomas J. Dougherty, to support his contention that the Communications Act doesn't require any broadcaster to put politicians on the air if equal-time issues aren't involved: "He is not obligated to grant time to any particular candidate for any particular election. However, a policy of 'blacking out' all political discussion by candidates can be considered by the agency in determining whether a broadcaster is serving the statutory licensing standard of public interest, convenience and necessity." In further answer to Committee questions as to how much time TV & radio stations devote to public service, Lee suggested that the term "is a matter of broad subjective interpretation," that FCC can't analyze such programming precisely. However, he came up with a study of transfer applications of 43 TV & radio stations reflecting "a cross-section" of all stations. Magnuson was told that this study indicated average TV programming as "25% sustaining," average radio programming "35 % sustaining." Religion got 7% of the time on radio, 3% on TV. These figures provided "a fair approximation of public services programming," Lee said.

**FCC's Rule-Making Rules:** Amended language for an anti-*ex-parte* bill (HR-4800) proposed by House Commerce Committee Chmn. Harris (D-Ark.) has been submitted to him by FCC Chmn. Ford, carrying out Commission's ideas for splitting rule-making into general & special categories (Vol. 16:18 p15).

In line with Ford's testimony before the Commerce Committee in March (Vol. 16:12 p1, 13 p3), FCC proposed that informal communications in general rule-making be permitted within limits of the Administrative Procedures Act, but that *ex-parte* restrictions be tightened in rule-making which involves special interests.

FCC's suggested language would insert the following into Harris bill as Sec. 409 (D):

"(1) All rule making proceedings conducted before the Commission shall comply with the procedural requirements set forth in section 4 of the Administrative Procedure Act and such rules and regulations as the Commission may prescribe.

"(2) However, in those cases where the Commission finds that special procedural provisions are appropriate and so states in its notice of proposed rule making, the following additional procedural requirements shall be observed:

"(a) All written material bearing upon matters in issue in such rule making proceeding shall be made a part of the docket therein. Any written material not so filed shall not be considered by the Commission or any member of the Commission's staff in connection with such proceeding.

"(b) No person shall consult with or make any written or oral presentation to an individual Commissioner or any member of the Commission's staff with regard to the matters at issue in any rule making proceeding conducted under this subsection during such time as it is pending before the Commission.

"(c) Nothing in subsection (2) shall be construed to prohibit the Commission from considering relevant information made available to it prior to the issuance of a notice of proposed rule making, information of which it may take official notice, information obtained through consultation with the Commission's staff, or any other information available to it and not precluded from consideration by subsections (2) (a) and (2) (b) herein.

"(3) Any participant in such proceeding may request the Commission to reconsider its procedural determination within 10 days of the publication of its notice of proposed rule making. If such petition for reconsideration is not timely filed, the parties will be bound by the Commission's determination in the matter: *Provided*, however, that any order denying reconsideration may be appealed, as provided in sections 402 (B) (9) and 402 (C) of this Act. Any participant in such proceeding who has not so appealed shall be foreclosed thereafter to challenge the validity of such procedural determination, in any action seeking judicial review of the Commission's final order in such rule making proceeding."

Fresno deintermixture proposal, to make the area all-uhf by shifting KFRE-TV from Ch. 12 to uhf (Vol. 16:13 p4), was approved by all parties filing comments with the FCC—though some asked for certain conditions. KFRE-TV agreed to go to uhf if it were to be given Ch. 30 or 18 instead of Ch. 53 as proposed, and if Ch. 12 were to be moved out of Fresno. KJEO (Ch. 47) Fresno asked that Bakersfield also be made all-uhf and that other markets be deintermixed "to assure a market large enough to induce the continued production of uhf receivers & components." It also reserved the right to ask for a shift to a different uhf channel. KMJ-TV (Ch. 24) Fresno also asked that Bakersfield be made all-uhf and that Ch. 12 be shifted to Santa Barbara; in addition, it requested that FCC exert "its powerful influence with manufacturers to improve the quality of uhf receivers & transmitting equipment." Santa Barbara TV Assn., prospective Ch. 12 applicant headed by the city's mayor, endorsed the proposed shift of Ch. 12. KLYD-TV (Ch. 17) Bakersfield urged that its city also be deintermixed, shifting KERO-TV (Ch. 10) to Ch. 45 or some other uhf channel.

KRLD-TV (Ch. 4) Dallas has been given authority by FCC to identify itself also with Ft. Worth, Comrs. Ford & Bartley dissenting.

Ch. 46 is now educational in Kalamazoo. FCC switched the reservation from Ch. 74 at request of Western Mich. U.

Miami Ch. 10 "influence" case was finally set for June 2 oral argument at FCC. The Commission had been holding off, awaiting the conclusion of the 2nd Mack-Whiteside conspiracy trial. However, when Judge Holtzoff delayed start of the trial until Oct. 4 because of Whiteside's gall bladder operation (Vol. 16:18 p14), the Commission concluded that it would wait no longer. The Commission had delayed, at the requests of the Justice Dept., the judge and attorneys for Mack & Whiteside, on the theory that publicity surrounding further FCC proceedings might prejudice jurors. The oral argument will give attorneys opportunity to debate examiner Horace Stern's initial decision—which held that National Airlines' CP for WPST-TV should be revoked, that FCC should hold further proceedings, that applicants National & WKAT (whose principal A. Frank Katzentine died recently) be handicapped but not "absolutely disqualified" in the new go-round among the 4 original applicants (Vol. 14:49 p2).

Payola and rock & roll aren't linked, so far as FCC has been able to tell, according to Chmn. Ford. In answer to a query from Rep. O'Neill (D-Mass.), who had suggested that there was a connection between payola & "trash" records played on radio by "unscrupulous disc jockeys," Ford said Commission lacks any information "which would enable it to determine with any degree of certainty whether any relationship whatsoever exists." Ford also told O'Neill in a letter that FTC had advised FCC that "employees of 110 radio & TV broadcast stations have received some form of cash payments from record manufacturers & distributors." Replies to FCC's own questionnaires disclosed that 69 of these stations were "unable to uncover any instances of payola," Ford said, and FCC's probe is proceeding.

Prohibition of station sales within 3 years after CPs are granted, a provision of HR-11340 introduced by Rep. Harris (D-Ark.), is a little too stiff for majority of FCC members. However, it's understood they do want greater latitude in calling for hearings to scrutinize sales. The Communications Act makes Commission approval of sales almost automatic, leaves FCC little discretion. Comr. Bartley dissents, would have all sales go through hearing.

Renewals of network key stations' licenses in N.Y. expire June 1 (along with all other N.Y. & N.J. stations), and FCC is examining them in the light of payola data. If the renewals aren't granted by June 1, they'll be extended indefinitely automatically and it can be assumed that the Commission hasn't made up its mind or that it plans a formal, public hearing.

The 1856-ft. tower sought by WHAS-TV Louisville shouldn't be authorized, according to proposed findings filed by FCC's Broadcast Bureau. The Bureau's attorneys concluded that the tower wouldn't be an aircraft hazard; its objections were that the station's increased coverage would undercut economic support of Lexington's 2 uhfs.

Communications Act amendment providing for "flexibility" in FCC rules requiring annual inspections of radio equipment aboard U.S. ships has been proposed by Sen. Magnuson (D-Wash.). He said his bill (S-3496) would eliminate "a hardship" imposed now on ship owners.

Grant of Ch. 10, Charlotte Amalie, St. Thomas, Virgin Islands, to Island Teleradio Service Inc., is recommended in an initial decision by FCC examiner Thomas Donahue.

FCC will vacation in Aug. per custom, meeting only once, on Aug. 1; scheduling no hearings or oral arguments.

## Congress

### More about

**PAYOLA, ROYOLA & CLARKOLA:** House investigators wound up payola probe hearings last week in a blaze of indignation at their disclosures, a promise of early corrective legislation, threats to investigate TV programming—and a nearly empty hearing room.

Less than 30 spectators were in the big House Caucus Room for the conclusion of the on-&-off hearings, which started in Feb. with testimony about a Miami Beach disc jockey convention in the headlines (Vol. 16:7 p6) and ended with ABC-TV's Dick Clark and AB-PT & ABC Pres. Leonard H. Goldenson as main targets. Washington was swarming with touring school children while the hearings were in progress, but few of them turned up to see *American Bandstand's* Clark during his 2 days on the stand.

Following sharp questioning about \$7,150 paid him by American Airlines for plugs on his show, Clark was excused almost paternally May 2 by Chmn. Harris (D-Ark.) of the Commerce Legislative Oversight Subcommittee. "Obviously, you're a fine young man," said Harris. He added: "I don't think you're the inventor of the [payola] system. I think you're the product."

Little kindness was displayed next day to Goldenson by the Subcommittee, however (see p. 4). He was accused of laxity & slowness in severing Clark from outside music-related business connections until the Subcommittee got on Clark's multi-pathed trail last Nov.—and of condoning "plugola" on ABC himself.

"When this very important medium becomes so commercialized that you look in any corner & find some new gimmick, this most important means of communication has become almost completely subverted," Rep. Moss (D-Cal.) said acidly.

### Record to Be Closed May 10

Harris set May 10 as the deadline for closing the record of the payola proceedings to any additional statements anybody involved may want to file. He warned that no "self-serving" statements would be accepted, said that he planned to have legislative cures promptly.

Harris also released a summary of replies to questionnaires sent by the Subcommittee staff to 230 record distributors in 23 cities, asking them to report payments to TV & radio personnel in 1958-59. The replies turned up payola totaling \$263,245 to 207 jockeys & other station employes in 42 cities. The summary listed Los Angeles, Chicago and Baltimore as the biggest payola centers.

At the same time at least 2 other Subcommittee members agreed that TV network shows themselves should be next in the line of the Oversighters' investigative fire. Rep. Springer (R-Ill.) said he was in favor of such a sweeping probe and Rep. Mack (D-Ill.) said it was time to stop "the trash coming down over the airways."

Asking Goldenson why *The Voice of Firestone* was dropped by ABC-TV in "TV's worst mistake," Springer said its replacement—*Bourbon Street Beat*—"is one of the worst programs I ever saw." Goldenson explained that the Firestone show was seen by only 14% of viewers, that *Bourbon Street Beat* will be replaced next season. But Springer said a "real investigation of programming" is needed, promised to monitor shows himself between now & Jan. in preparation for it.

Referring to TV "trash," Mack asked Goldenson: "Don't you think somebody's going to have to do some-

thing—the gov't. or the networks?" And later Mack told reporters: "There is no question the networks have a responsibility to protect the public interest rather than just to see what dollars they can make. They have not displayed any willingness to improve the type of program they carry." He said it would be "worth the time & effort" for the Subcommittee's staff to get under way on a programming inquiry now.

Mack also said that despite persistent denials by ABC-TV's Clark that he had ever taken payola, and testimony by Goldenson recounting the network's moves to ban the practice, the hearings had established that Clark was "top dog in the payola field." Rep. Derounian (R-N.Y.) had coined "royola" as a word for Clark's income from music publishing, etc. (Vol. 16:18 p2) and Rep. Moss (D-Cal.) offered another one—"Clarkola."

Doubt that the much-ballyhooed Clark phase of the hearings accomplished much was expressed by Rep. Devine (R-O.), however. A relatively quiet Overseer, Devine said that early in the year the staff already had enough information on payola practices to know what legislative correctives should be recommended, that it wasn't necessary to have called "as many witnesses as we did." As for the prolonged questioning of Clark, Devine said: "I don't know that it helped the investigation."

Much of the final 2 days of the hearings was devoted by the Subcommittee to exploring a \$7,150 payment by American Airlines for plugs on *American Bandstand* last year. Clark said such plugs were "standard practice," but Moss said such "Clarkola" was "illegal" under FCC regulations governing identification of sponsors.

Goldenson said that the American Airlines money went to Clark's production organization with ABC approval to pay for travel when *American Bandstand* was on tour, that the plugs ("Travel for the Dick Clark show arranged through American Airlines") were charged to the account until it was used up.

Moss said that Goldenson's testimony on the point was "in great conflict" with Clark's explanation. Moss also produced an intra-organization memo to Clark reporting that after all travel expenses had been deducted, a \$3,049.60 profit remained for Clark.

Goldenson did manage to get one correction into the record, however. Derounian had estimated that Clark grossed \$12 million annually for the network. Goldenson said the figure was about half that.

Work of the Subcommittee was reviewed at the week's end by Rep. Flynt (D-Ga.), who substituted for Harris as spokesman for the Overseers in a speech to the American Women in Radio & TV Convention in Cleveland (see pp. 3 & 9). "We hope & trust that you approve of & are in full accord with the objectives of our Subcommittee & our activities to date," Flynt told the industry group.

He added that in broadcasting investigations, the Overseers have exposed "serious derelictions, some of which have amounted to almost criminal activities," but he denied that the Subcommittee has tried to indict the industry generally.

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Is free manure payola? This problem beset KEX Portland, Ore. DJ Barney Keep last week. Platter-spinner Keep drove out to the Alpenrose Dairy to buy a truckload of fertilizer. When the dairy owner recognized him, Keep was told to keep his \$1 payment, leaving him the delicate moral problem of deciding whether the fragrant gratuity constituted a form of payola.

Revised TV blackout bill, permitting baseball & football clubs to control game telecasts without running afoul of anti-trust laws, has been drafted by Sen. Kefauver (D-Tenn.). Author of a similar football-basketball-hockey measure (S-2345) introduced last year (Vol. 15:37 p3), the chmn. of the Judiciary Anti-trust Subcommittee said his new bill (S-3483) would put baseball under anti-trust coverage but exempt most activities of other pro sports. Included in the Kefauver measure are provisions to: (1) Give baseball clubs the right to limit telecasting within 75 miles of another club's community on home-game days. (2) Forbid telecasts of pro football games in areas within 75 miles of other pro contests or scheduled college games except on Sun.—unless the home club or college consents.

Free-time TV debates by Presidential candidates, as required in a bill (S-3171) co-sponsored by Sens. Magnuson (D-Wash.) & Monroney (D-Okla.) and supported by a score of other Senators, will be debated in postponed Senate Commerce Committee hearings starting May 16. Adlai Stevenson, 1952-56 Democratic nominee, will be lead-off witness in the 3-day hearings, which first had been set to open May 12 (Vol. 16:17 p10). He'll be followed by Democratic National Chmn. Paul Butler & GOP National Chmn. Thurston B. Morton. Others to be heard will include spokesmen for the TV networks, NAB, American Civil Liberties Union, Socialist Labor Party. The Committee also has sent invitations to former Presidents Truman & Hoover to appear but hadn't had responses from them at last week's end.

Regulatory agency paperwork & red-tape hamstringing administrative decisions and lead to back-door influence, Chmn. Harris (D-Ark.) of the House Commerce Legislative Oversight Subcommittee told the Federal Trial Examiners Conference in Washington. "These unwieldy proceedings are expensive, both to the regulated industry and to the Commissions concerned," Harris said. As for *ex-parte* approaches to the agencies: "Many such contacts begin as a result of frustration & exasperation with interminable agency delays." Harris disagreed with critics who say the agency system ought to be abolished, however. That would be "equivalent to burning up the roost to catch a chicken thief," he said.

"Before Congress plunges into drastic legislation, it might well consider the effects already produced by the House subcommittee hearings. If the industry itself can show new evidence of maturity and a sense of responsibility where it has been lacking, it is entitled to every chance to clean its own house. Failure will create a vacuum which under our democratic system will inevitably be filled by legislation. So the clear challenge at this critical point is for television's many able and conscientious leaders to exert the direction and control of which they are capable and on which the industry's reputation depends."—*N.Y. Herald Tribune*.

"It is incredibly naive of legislators, educators, and well meaning critics to assume that the advertisers of America would invest \$1,500,000,000 in a medium without bona-fide research. Do any of these worthies think that Procter & Gamble, General Motors, Columbia Broadcasting System, J. Walter Thompson Co., or any of the great companies that specialize in evaluating the power of their vast advertising expenditures or programming circulation would accept any rating service without the most critical analysis?"—*Advertising Age*.



## Stations

**NO TV CZARS WANTED:** In his first public appearances as the new NAB TV Code Review Board chmn., vp-gen. mgr. E. K. Hartenbower of KCMO-TV Kansas City last week scorned czar solutions to industry problems. But he warned that broadcasters must do better clean-up jobs on programs & commercials.

In a speech to the Institute for Education by Radio-TV in Columbus, Hartenbower said: "I think it boils down to this: If you want fireworks, if you want sound & fury, look to hasty legislation or the coronation of czars. But if you want steady, thoughtful improvement & maturing of this pretty amazing form of communications that affects our lives so deeply, look to voluntary codes—and those who live by them."

Then Hartenbower went on to Cleveland, where he told the annual convention of American Women in Radio & TV that it's "time for us in TV to take a long hard look at the programs we put in the country's living rooms" and start curbing "excessive violence" in shows. He also said: "There are some commercials on the air, not many, which are downright disgusting."

Hartenbower, who took over as head of the Code Review Board following NAB's Chicago convention in April (Vol. 16:15 p7), occupied featured spots at both meetings, along with FCC Chmn. Ford (see p. 2).

"Knotty problems [in TV] aren't going to be solved by heavy-handed fiat or the making of loud noises—problems like the matter of good taste in commercials & undue violence in programming," Hartenbower said in Columbus.

And as for a czar: "You read glaring headlines about TV scandals in the newspapers, and we all start hunting for a messiah, for some unassailable father-image to come in & clean up the house instead of rolling up our sleeves and doing the job ourselves."

In Cleveland, Hartenbower pointed out that the "matter of excessive violence in programming has plagued our industry since its infancy," that the "least responsible & least rational critics have always seized on it with glee." He said there's no need to "panic & run off in all directions every time some housewives' group sits down to count the number of pistol shots in a Western," but that broadcasters should pay close heed when such "serious" critics as Ford & National Parent-Teachers Assns. sound warnings.

Acknowledging that "disgusting" commercials can still be seen, he also told the AWRT convention: "I'm happy to report that we have noticed some substantial improvement in many commercials. I'm happier to report that many advertising agencies are consulting with the Code Board about these commercials, and in so doing have avoided problems in taste before the commercials were filmed."

As further proof that Code progress is being made, Hartenbower pointed to the way member stations are "willingly & cheerfully" agreeing to doubled & tripled subscription fees to pay for more administrative personnel and other expansion (Vol. 16:18 p9).

RCA shipped a used 2-kw transmitter and 6-bay antenna April 29 to upcoming KCDY-TV (Ch. 11) Coos Bay, Ore., which has summer target. Also a 1-kw transmitter May 6 to upcoming WXTV (Ch. 45) Youngstown, O., which hasn't reported a target. TV tape recorder shipments: 1 color unit to NBC, Burbank; 1 monochrome to WMAR-TV Baltimore.

**Birth of a Rep:** Several CBS-repped TV stations will move this summer to a new rep organization now being formed in N.Y. to attract as many as possible of the station group which CBS Spot Sales, by Justice Dept. order, must drop by mid-1961. The new firm will emerge as an affiliated div. of an existing rep organization (probably Branham Co.), but will have considerable group identity. Most likely candidates for the group: WBTV Charlotte, WJXT Jacksonville, WTOP-TV Washington. Involved in the new rep setup are at least one present network rep sales official and a former executive of one of the major radio networks. Organizers of the new group tell us they hope to have "at least 15 or 20 TV stations" within 3 or 4 years. Some other CBS-repped outlets are already committed to existing reps: KHOU-TV Houston will shift to H-R Reps and KSL-TV Salt Lake City will move to Blair TV this year.

FTC payola charges against Mutual Distributors Inc., Boston record distributor, should be dropped because the payments to disc jockeys and other TV & radio station personnel were just Christmas cheer, the company & its officers said in answers to the March 2 complaint (Vol. 16:10 p9). Mutual and Pres. George D. Hartstone, treas. Leon C. Hartstone and clerk Robert S. Hartstone admitted giving \$100 gifts at Christmas time. But they said the money-giving was "motivated by the usual holiday spirit and as an accepted business practice by way of public relations and in no way to control or unduly influence the 'exposure' of records distributed by the respondents."

Payola is commercial bribery and should be "proscribed by law," not by FCC rules for sponsorship identification, NAB govt. relations mgr. Vincent T. Wasilewski told the 51st annual Journalism Week conference at the U. of Mo., Columbia. Expanding on NAB's arguments against FCC's interpretations of Sec. 317 of the Federal Communications Act (see p. 2), Wasilewski said NAB favors making payola a crime, but that Sec. 315 issues should be handled separately by an FCC administrative interpretation or amendment clarifying the law's intent "to protect against disguised advertising or propaganda."

Payola-free record supply will be offered TV-radio stations by Record Source Inc., a new div. of the N.Y. jingle-producing firm of Scott Textor Productions. Record Source is being organized by Hal Cook, ex-sales vp of Warner Bros. Records, at 333 E. 46th St., N.Y. Cook will offer stations a basic supply of 10 potential-hit record singles weekly and 10 albums monthly "based on the consensus of record reviews in 4 leading music trade publications, with artist popularity a weighting factor," he told us. Stations can then feature the records in local DJ shows without worrying about payola charges, Cook added.

Public-service plugs by TV & radio for the U.S. savings bond program "are largely responsible" for its successes since it was launched 19 years ago, according to Treasury Secy. Robert B. Anderson. In a letter to acting NAB administrator Everett E. Revercomb, he thanked the broadcasting industry for "its service to the nation." Anderson said that "radio, virtually overnight, transformed the bond program into a nation-wide sales campaign which quickly became a financial mainstay of this nation at war" and that, in the postwar years, TV "quickly responded in the fine tradition of public service."

Revised TV Code edition—No. 6, incorporating amendments & interpretations—will be published about June 15 by NAB.

**PHILCO'S NEW JAB AT RCA-NBC:** Philco has come up with yet another angle of attack on RCA-NBC, which it has besieged for years in many still-unsettled legal attacks. The latest was the filing with FCC of an application for the Ch. 3 now occupied by WRCV-TV Philadelphia, to compete with NBC for renewal of the license which expires Aug. 1.

This throws yet another complication into the WRCV-TV picture. NBC is required to sell the station along with WRCV under an anti-trust consent decree, and NBC has agreed to swap the stations with RKO General's WNAC-TV & WNAC Boston, selling its WRC-TV & WRC Washington to RKO for \$11.5 million. In addition, NBC has contracted to buy KTVU San Francisco for \$7.5 million. KRON-TV San Francisco has complained to the Justice Dept. about the KTVU sale, and Justice Dept. has a deadline today (May 9) to tell the court whether it objects to the sale (Vol. 16:17 p5).

In addition to the foregoing, Philco had protested to FCC the renewal of WRCV-TV. After a lot of court litigation, FCC held oral argument on Philco's charges about RCA-NBC's qualifications as a licensee—but the Commission hasn't decided whether to hold a full-scale hearing on Philco's allegations (Vol. 15:41 p5).

Still dragging through the courts is the granddaddy of all Philco attacks—its 1957 \$150-million treble damage suit charging RCA with patent monopoly (Vol. 13:3 p2).

Philco has a new angle in its latest thrust: It charges that NBC hasn't done a good programming job in Philadelphia. Its previous attacks on RCA & NBC charged that they were unfit licensees because of monopolistic taint.

#### Philco Sold Ch. 3 in '53

In last week's application, Philco noted that it had operated on Ch. 3 experimentally from 1932 to 1941, went commercial in 1941, then sold to Westinghouse in 1953. Its operation of the station, Philco said, featured 20% local live programming—whereas NBC offers only 7%. Philco stated that it would resume the 20% practice, 1/5 of it during 6-11 p.m., if awarded the channel.

Barring abnormal developments, FCC is required to conduct a comparative hearing between Philco & NBC. But there are innumerable legal convolutions to cover—depending on whether or not Justice Dept. objects to NBC's purchase of KTVU—and heaven (& the lawyers) knows what else.

Philco sold its Ch. 3 station (then called WPTZ) to Westinghouse for \$8.5 million, up to then the highest price ever paid for a station (Vol. 9:8). At the time, Philco said it sold because it chose to "concentrate in its principal fields of research & development of TV receiving sets radios & major appliances." In 1957, however, detailing its "monopoly" charges against RCA in the \$150-million patent suit, Philco asserted that RCA-NBC forced it to sell to Westinghouse "for a price substantially less than the properties were worth" by threatening to shift the NBC-TV affiliation to Westinghouse which was then an applicant for Philadelphia's uhf Ch. 17.

In 1956, Westinghouse swapped the Ch. 3 station (with AM), then called KYW-TV & KYW, to NBC for the latter's Cleveland TV & radio, also getting \$3 million from NBC (Vol. 12:3 p3). Then came the consent decree last year, in which NBC agreed to sell the Philadelphia properties (Vol. 15:39 p3).

In its application, Philco proposes to spend \$4,142,000 to build the station, \$5 million a year to operate it. David

B. Smith, technical planning vp, was placed in charge of broadcast plans. A TV pioneer, Smith worked closely with WPTZ in its early days, was active in industry work toward TV technical standards.

Obviously irritated by Philco's move, NBC promptly snapped back May 4, terming Philco's application for the Philadelphia channel "the latest move in a cynical course of harrassment that has nothing to do with broadcasting in Philadelphia" and "the act of an opportunistic Johnny-come-lately who wants to reap where others have sown."

Philco, NBC intimated, was a fine one to talk about community service in its home area. "In 1953," said NBC's official statement, "Philco chose to sell its TV station in Philadelphia to take a multi-million dollar profit instead of developing a broadcast service in that community. Since that time, it has made no effort to acquire any broadcast station anywhere." While Philco sat on the sidelines, NBC pointed out, the NBC-owned outlet (WRCV-TV) was "bringing Philadelphians the full, balanced program service of NBC" as well as many special interest programs.

WFBM-TV Indianapolis claims a record "for single-station coverage of one series of related events." It's scheduling more than 114 hours of broadcast time this month for the 500 Mile Race & associated activities. "So far as we know," reports promotion mgr. K. C. Strange, "there has never been anything to match our proposed plans either in scope, quality or total time by an individual broadcasting company." WFBM-TV has slated a 40-man crew to work almost exclusively on remote broadcasts. In the \$400,000 worth of equipment assigned to the project is a 4-camera RCA-NBC color mobile unit which initiates operations this week (9) with *Trackside*, a 15-min. Mon.-through-Fri. report direct from Indianapolis Speedway.

Field of candidates to succeed late Harold E. Fellows as NAB pres. has been narrowed to "about a dozen" and NAB's selection committee hopes to be ready with a nominee next month, Chmn. C. Howard Lane (KOIN-TV Portland, Ore) told us last week. Still declining to speculate on a likely possibility for the post, Lane said members of his committee were continuing to interview men suggested by NAB members, whose personal choices added up to 100 last month (Vol. 16:16 p12). They planned to meet in Washington in advance of June 13-17 NAB board sessions at the Statler-Hilton. "I would hope that we'll be able to settle on somebody then to present to the board," Lane said.

Damages of \$47,112 for cancelation of a TV program have been awarded to Washington, D.C. dept. store chain by district court Judge Alexander Holtzoff. Morton's Stores claimed that WTTG had breached an advertising contract when it cancelled the store's *Morton's Talented Tots* shortly after Metropolitan Bcstg. Corp. took over from DuMont in 1958. The chain had sought \$84,000.

Two-month-old block-booking trial against 6 TV feature film distributors ended in N.Y. Federal District Court May 3. Judge Archie O. Dawson set Aug. 10 as the date for receiving briefs from both sides. He also indicated his decision would not be forthcoming for some time, "as the issues in the case are quite complex."

FCC's record-donor order has been put to commercial use by radio outlet KPHO Phoenix, Ariz. The usual acknowledgement of the source of air-played records is not only made—it is actually sponsored. Local Ed Post Realty Co., buys them at the rate of 30 announcements daily.

## Film & Tape

**WGA PEACE STILL ELUSIVE:** Four-month-old strike of Writers Guild of America against the Alliance of Television Film Producers, TV film operation at the networks & the major studios continued last week, with no major developments. There were indications of peace attempts early in the week, but these had apparently blown up like other such maneuvers.

All sides displayed considerable caution in the hydra-headed controversy, but there was good reason to believe the membership vote rejecting the Alliance proposal had clarified what had been an atmosphere as smoggy as Los Angeles on a bad day.

One thing appeared clearly evident: WGA was now determined to settle for nothing less than compensation *and* recognition in the crucial foreign residuals area. WGA's most recent demand in that area is for 2% of global gross.

Unwilling to grant this major concession, a number of employers were hoping for a break with the annual WGA membership meeting & election May 19. There were reports that many writers who had voted for the Alliance offer would again seek acceptance, basing their hopes on the belief that if more writers turn out May 19 than were at the last meeting, they will win.

Ironically, it was generally admitted that had TV producers offered merely recognition of the foreign principle a month or two ago, WGA would have accepted and the strike would have ended. Now, however, the writers consider time is on their side; producers are feeling the script shortage.

Producer groups—the Alliance, majors and independents—met last week to assure a solid front. But fear was expressed that the networks, which were the first to grant WGA recognition on the foreign principle, might again make concessions which would crack the producer front. There was general uneasiness among employers that script-short producers might make a deal.

### Resignations, Withdrawals and Conflicts

Meanwhile, sidebar developments stemmed from the strike. For example, MGM-TV exec. producer Richard Maibaum resigned because of the strike. "I have been wearing 2 hats," he told us, "and I have been increasingly unable to do it." Maibaum, a WGA member, said MGM-TV is at the point of announcing a policy whereby it will hire any writer it can. He refused to remain in a situation in which he would have had to work with non-Guild members or members working in violation of WGA orders.

In an aftermath of the WGA membership meeting which saw the Alliance peace bid rejected, Rod Serling, who had spoken for acceptance of the offer, withdrew as candidate for election to the TV-radio board. Said he: "I gave a talk which I thought was innocuous. I said we were one guild, that there were no bad guys & good guys, that we were all Guild members, and I urged acceptance of the Alliance plan. Since then I have been accused of being a plant for management and a spokesman for the opposition outside the Guild. I think this is eminently unfair . . . On the basis of the fact that I am a producer-writer, I was suspect, so I resigned as a candidate. WGA has always sought to achieve writer control of stories, yet when some of us become producers and do that, we are accused of divided loyalty."

WGA, meanwhile, singled out Warner Bros. TV as guilty of "unfair practices," and made this charge to the

Assn. of Motion Picture Producers. The Guild is considering separate negotiations with Warners if such practices don't stop, we're told by a Guild spokesman. "Warners," he said, "has behaved childishly from the start. It protested every unemployment claim, then appealed if it was held valid. The studio held up residual checks, and when we complained, sent them directly to writers instead of to the Guild, as called for in the contract under which these writers earned these residuals. They have phoned writers, asking them to work during the strike." It's long been known that WB uses the pseudonym W. Hermanos (Spanish for Warner Bros.) for writers who are non-Guild members or WGA members working in violation of WGA orders.

WGA's council voted 29-1 against acceptance of the Alliance & network offers. The idea of a national referendum was killed.

Screen Actors Guild meanwhile began negotiations for a new TV film contract with the Alliance and the Assn. of Motion Picture Producers, representing the major studios.

SAG demands call for a hike in the present residuals, which give actors 140% of minimum, to 200%; payments of 50% for second runs, as compared with 35% in the current contract; and other residual raises, ranging down to 10% for 8th run. (Actors are now paid for 2nd through 6th runs.)

### Pension, Health Plans & Pay Increases

Other SAG demands: Pension plan and health & welfare plan, to be financed by employer contributions of amounts equal to 5% of total actors' payroll, including residuals; increases in minimums ranging from 20% to 80%; rerun provisions to apply to telecasts in cities throughout the world (if TV film is still in its first-run in U.S., but goes into 2nd run abroad, 2nd run residual becomes due actor and for this, actor gives world rights to 2nd run); payment for theatrical exhibition rights, including those abroad, subject to individual bargaining, with stipulated minimums; advance payments for reruns and movie rights banned; restrictions on exclusivity and options regarding pilots, series and term contracts.

In addition, SAG seeks improvements in overtime payments; tightening up on policing & collection of reruns, and in connection with foreclosures; better credits for actors and improvements in working conditions. The SAG contract would run for 3 years, to June 1, 1963. SAG's present, extended contract in TV expires May 31.

Meanwhile, Directors Guild of America was in negotiations with AMPP and the Alliance, and talks were progressing satisfactorily. The DGA pact with the producers expired April 30, but there is no thought of a strike inasmuch as progress is being made.

Meanwhile, WGA's national council will hold its semi-annual meeting in N.Y. Wed. & Thurs., with the agenda including discussions of censorship, income tax legislation, the strike and its strategy.

Other developments: Composers & Lyricists Guild of America has authorized the board & negotiating committee to call a strike against major studios at the "discretion" of the board. The film scorers and majors are understood to be far apart on terms.

AFM won elections covering musicians in the *Mr. Lucky* and *Peter Gunn* TV series, garnering more votes than the Musicians Guild of America.

**CBS-Ampex 'Tape Watchman':** Geometrical distortions of taped shows, resulting from improper recording, are corrected by a new "automatic watchman" for the Video-tape recorder, unveiled by Ampex last week at the 87th semiannual convention of the Society of Motion Picture & Television Engineers in Los Angeles. CBS-TV engineer Charles H. Coleman developed the new device, which eliminates all skewing, scalloping and horizontal displacement of vertical lines. CBS Inc. has applied for a patent on the device, which it calls Coltec (Coleman Timing Equalizer Circuit). Ampex has been licensed to manufacture it under the name of Autotec.

We saw the unit in operation at the SMPTE conclave, and it seems to do everything Ampex claims it can do. The device makes possible the same degree of intersplicing among recorded tapes that exists among motion picture films, Ampex sources said. "For the film industry in its conversion to tape, the Autotec device means that in precise frame-by-frame editing there is no chance for splices between tapes of slightly varying recording standards to cause any picture distortion," said Neal K. McNaughten, Ampex vp & mgr. of Ampex Professional Products Co.

The "watchman" monitors the tape output electronically and compensates for any timing error before it reaches the viewing screen, he added. "Even though this device adds an automatic function to compensate instantaneously for unintentional operational errors in the recording of TV tapes, there can be no relaxation in the development of recording standards," McNaughten commented.

SMPTE's video-tape recording committee reported no further action on color standards will be taken now in the hope that manufacturers and users of color recorders can work together and present suggestions; standards for color recording will have to be separate from black-and-white; work on a proposed standard for de-emphasis for use with monochrome TV magnetic tape recorders has been held back in the hope a single standard could be set for color and b&w.

The group also said a new proposal has been drafted to set specific physical relationships between the rotating video heads and the vacuum guide to permit tapes to be played without distortion on machines or heads different from the one on which they were recorded.

Committee members will decide on a new proposed standard for the control track record for 2-inch video magnetic tape recordings. A revised proposal on dimensions for 2-inch video magnetic tape reels will be ready for resubmission to the SMPTE standards committee by July, conforming as nearly as possible to the EIA proposal for standard interchangeable reels for magnetic tape.

Among other TV-tape developments at SMPTE was the first U.S. engineering description of Toshiba's single-head recorder (see p. 24).

An offer to buy Desilu Productions, said to be forthcoming from an unidentified Chicagoan, is denied by Desilu exec. vp Martin Leeds. The coast report had San Francisco financier Louis R. Lurie stating that he is acting as catalyst in the proposal. Commented Leeds: "I have never met Mr. Lurie. I know nothing of this." Meanwhile, Desilu owners Desi Arnaz and Lucille Ball each retains half of their 49% of Desilu stock, under terms agreed on last week when Miss Ball obtained a divorce from Arnaz. Arnaz will continue as Desilu president & board member, and Miss Ball as a board member. Latest to depart Desilu: producer Mort Briskin (*Grand Jury, U.S. Marshal*).

**How Majors Stack Up For Next Season:** Warner Bros.' big TV lead over the other major studios is diminishing. Columbia's subsidiary, Screen Gems, will be a close second for number of shows in production next season.

Definitely set for ABC-TV airing by Warners for next fall are renewals of 77 *Sunset Strip*, *Maverick*, *Hawaiian Eye*, *Cheyenne* and *Lawman*, a *Bugs Bunny* cartoon series and 2 new 60-min. series, *Surfside Six* and *The Roaring 20s*. The network, not at all sure it will retain WB's *Bronco* and *Sugarfoot* series, is discussing the possibility of lumping *Bronco*, *Sugarfoot* and *Cheyenne* episodes into a single series, with WB making 13 of each. It doesn't plan to continue *Bronco* & *Sugarfoot* as separate shows.

WB series which will not return are *The Alaskans*, *Colt .45* and *Bourbon Street Beat*. Thus far the studio has 7 hours of programming (including the *Bunny* cartoons), as compared to 9 for this season. Added WB possibilities, but far from set, are *Room for One More* and an anthology hosted by WB exec. producer William T. Orr.

Screen Gems renewals for next season are *Dennis the Menace*, *The Donna Reed Show* and *Manhunt*. New series are two 60-min. shows, *Route 66* and *Naked City*, also *Triumph* (based on Churchill's memoirs), *Two Faces West* and *The Flintstones*, a cartoon strip. SG cancellations this season were *The Alcoa-Goodyear Theater*, *The Man From Blackhawk* and *Tightrope*.

Next in the major studio lineup is 20th-Fox Television, which has renewals of *The Many Loves of Dobie Gillis* and *Adventures in Paradise*, and the new 60-min. *Hong Kong*. This studio's *5 Fingers*, a 60-min. show, was cancelled in mid-season.

MGM-TV, which had no production for this season, will show activity next semester, with sales of 2 new series, *National Velvet* and 60-min. *The Islanders*.

Walt Disney Productions is status quo, with its single series, *Walt Disney Presents*, returning to ABC-TV in the fall. And despite its heavy expenditure in pilots, Paramount Television still hasn't racked up a firm deal for next season.

**Revue's Record Season:** Revue Studios, which for several years has led the field in Hollywood TV film, will experience a record-breaking production year next season. There'll be approximately 20 series in this plant, according to current indications. Revue has filmed 16 thus far, expects probably 4 more before the buying season ends.

Revue renewals for next season: *GE Theater*, *Bachelor Father*, *Wells Fargo*, *The Deputy*, *Alfred Hitchcock Presents*, *Markham*, *Wagon Train*, *Leave It to Beaver*.

Syndicated series in production: *Coronado 9*, *Johnny Midnight* (co-produced with Jack Chertok), *Shotgun Slade*.

New series: *The Tall Man* (co-production with Nat Holt); *Thriller*, 60-min. series to be filmed for producer Hubbell Robinson Jr.; *Checkmate*, 60-min. series to be filmed for Jack Benny's J&M Productions; *Whispering Smith*, *Bringing Up Buddy*.

Considered a virtual certainty for renewal is *Laramie*. Revue sources term *Riverboat* "80% certain" of renewal.

ITC and TCF-TV have signed a co-production agreement for "a minimum of 2 new TV series to be produced at TCF studios in Hollywood." This is the first such domestic co-production planned for the U.S. market by British-owned ITC. ITC Pres. Walter Kingsley also reported a first quarter 1960 sales increase of \$800,000 over 1959.

## NEW YORK ROUNDUP

NTA Productions and Directors Guild of America have reached an interim agreement whereby NTA will adhere to minimum conditions contained in current Guild agreements with the networks. The provision is designed for situations such as NTA's *Play of the Week* which is telecast 7 times weekly in N.Y. However, prior to the agreement's expiration date (Dec. 31, 1960), which coincides with termination of the Guild's network contracts, DGA has committed itself to negotiate a separate, basic agreement with TV syndicators—an agreement involving production of programming that does not receive network exposure. Under the interim contract, a special formula provides for deferred rerun payments on syndicated programs initially broadcast more than once weekly in a single market.

ABC Films will syndicate a new J. Arthur Rank feature-film package, *Empire 35*, including several titles "heretofore unexposed either theatrically or on TV" in the U.S. These include "Children Galore," "Don't Ever Leave Me," "The Hornet's Nest," and "One Jump Ahead." Meanwhile ABC Films' sales force has begun seeking fall network exposure for 2 of its latest series, *The Racers* and *Bellevue Is My Home*. Also reported last week by ABC Films: 9 station sales for *The Adventures of Jim Bowie*.

Add syndication sales: Screen Gems' *Medicine 1960* has been bought by Associated Hospital Service (Blue Cross) for 6 markets in S.C., putting the series in 45 markets to date . . . Cal. National Productions' *The Blue Angels* has been bought for a 68-market spread by Conoco (Continental Oil Co.) . . . Ziv-UA's *Tales of the Vikings* has been bought in 2 markets by Kern's bread.

Heritage Productions' *Campy's Corner*, featuring ex-Dodger catcher Roy Campanella, is now in 20 markets. Most recently added: WFIL-TV Philadelphia, WHDH-TV Boston and WMAR-TV Baltimore. The 30-min. show is taped in N.Y. at WPIX, and 16 of a projected 52 episodes are in the can to date.

Schaefer Brewing Co.'s unique full sponsorship of late-night movies as "local specials" in N.Y. & Boston has proved "so successful a venture" that the brewery has added TV outlets in Philadelphia, Syracuse & Albany for next season. Schaefer interrupts the movies only 4 times during the 2-hour presentations, for 75-sec. commercials.

Fremantle International has been awarded distribution rights for Spanish-language syndication of Trans-Lux TV Corp.'s *Felix the Cat* cartoon series, and has begun soundtrack re-voicing & a sales campaign in South & Central American markets. Present U.S. market list for the filmed-in-color *Felix* series: 65 stations.

Ziv-UA's *Home Run Derby* has racked up nearly 30 automotive dealers in its national syndication client list. "Traditionally, market-by-market sports programs are dominated by beverage & tobacco accounts, with food products leading the list of syndication buyers generally," vp Len Firestone noted.

Standard Oil (N.J.) won't notify WNTA-TV Newark or WTOP-TV Washington of its renewal decision on NTA's taped *Play of the Week* until mid-summer, a spokesman for the oil firm told us May 4. "Standard's fall ad budgets aren't decided upon until June or July," he said.

## HOLLYWOOD ROUNDUP

How to sell a pilot film was ably demonstrated late last month by Screen Gems and CBS-TV, which sold a half-sponsorship of its new *Route 66* to Chevrolet. Since the show concerns the adventures of two young men driving along the transcontinental highway system, Screen Gems cagily picked a Chevrolet Corvair as the car to be used. When CBS screened the show for Chevrolet, ad officials of the auto firm were delighted at the subliminal plug, promptly bought into the series. Sole problem remaining: If the Corvair is used throughout the series, should the appearances be counted as commercial time? If not, does it represent a product plug under CBS-TV's new rules even though a car is a logical basic gimmick in the show? Last week, CBS-TV declined comment; the car was staying in.

When a TV series idea winds up instead as a movie project, that's news. This has happened to producer-writer Stanley Roberts, who created "The Colonel's Lady," a comedy series to have starred Betty Grable. Roberts submitted it to United Artists vp Max Youngstein, who thought it would be better as a movie. Roberts, a longtime screenwriter, thereupon turned around and made a deal with Universal-International, whereby that studio has optioned it as a movie property, with plans to star Lana Turner. Roberts will be co-producer & writer on the film, and will get a percentage of its gross. If U-I fails to renew its option, he may still submit it as a TV series.

Four Star Television has wrapped up production for the current season, with completion of the final segment of *Johnny Ringo*; Aaron Spelling has been named producer for next season following resignation of Hal Hudson . . . Producer Tony Owen and wife Donna Reed met with the State Dept. and representatives of the Russian Embassy in Washington last week to discuss the possibility of producing 2 or more episodes of her show in Moscow under the cultural exchange program of the State Dept. . . . Ginger Rogers will star in the pilot of a series at 20th-Fox TV.

Japan may spend \$1.5 million for U.S. telefilms during the next 12 months, and another \$500,000 for TV-released feature films, newsreels and short subjects. That's the current outlook for U.S. syndicators, long critical of low Japanese price ceilings on U.S. filmed export TV fare (Vol. 16:15 p16). It is based on present plans of Japan's finance ministry to raise prices of imported TV films from \$300 for a 30-min. episode to \$600, and from \$600 for a 60-min. show to \$1,000.

Samuel Goldwyn, who has been trying for years to sell his movies to TV, has turned sales representation over to the William Morris Agency, and its head, Abe Lastfogel, is now in negotiations to sell the 50 movies. Previous negotiations have been held with a number of companies, including NTA, but have always collapsed because of Goldwyn's stiff demands.

People: Peter Kortner, *Playhouse 90* producer at CBS-TV, has signed to produce the *Du Port Show with June Allyson*, for Four Star next season . . . E. Cardon Walker elected a dir. and member of the exec. committee, Walt Disney Productions, Lawrence E. Tryon named treas.

## Programming

**Ohio State Awards:** Praises & protests for trends in TV-radio filled 4 crowded days last week at the Ohio State U. Institute for Education by TV-radio. Speeches, symposiums, panels and award presentations revealed the following: TV has substantially increased its public-service and cultural broadcasting during the past year, reflected by 321 TV award entries, 26 more than last year. Radio, to the contrary, reduced the number of entries this year. Sharp competition for awards came from outside-U.S. broadcasters this year, notably Canada. ETV is playing an increasingly important role in formal education.

Speeches & discussions focused on the growing public responsibility of commercial broadcasting and comparison of U.S. TV-radio with Canadian & European (particularly British) broadcasting. Other highlights:

Clair R. McCollough, pres. Steinman stations, denounced misconceptions put forth by critics of TV ("TV is ruining our children . . . There is nothing but mischief and murder on TV at night . . . There ought to be a board to supervise programming") by citing numerous cultural & public-service telecasts of the past year which characterize "efforts of some 450 commercial broadcasters, receptive to the high quality needs of their communities." Opposed to a 4th (ETV) network, McCollough expressed hope that commercial networks & independent station groups will "help build a society more concerned with and aware of its heritage & responsibilities."

Opposed to McCollough's *laissez-faire* system, Dr. Burton Paulu, Minnesota U. TV-radio dir., favored more control, praising the British for "devising a method which enables govt. to insist on high standards of programming & advertising without interfering with freedom of expression." Of Britain's commercial TV, Paulu said: "It is unique in the whole world. Having grown out of the desire to avoid the problems we encounter today, it is worthy of our careful attention."

### FCC Chmn. Ford Addresses Group

Other major speakers included Frederick W. Ford, FCC chmn. (see p. 2). Symposiums with such spokesmen as Robert L. Foreman, exec. vp BBDO; Harry J. Skornia, pres. NAEB; and Gilbert Seldes, dean, Annenberg School of Communications, U. of Pa., followed up other issues raised by key speakers.

Ohio State TV awards were presented in 8 classifications to national & regional public-affairs series. CBS-TV was top winner, scoring 5 firsts: Leonard Bernstein and the N.Y. Philharmonic won "best cultural program" in both adult & children's categories (the latter with *Young People's Concerts*); "The Lost Class of '59," *CBS Reports* and "Harlem—a Self-Portrait" won honors for CBS in "social problems," "public affairs" and "special one-time broadcasts" categories respectively.

NBC-TV took a national first with *Continental Classroom* in the "systematic instruction for adults group" classification; CBC won first awards for *Candid Eye, Tabloid* (social problems group) and "Where Will They Go?" a one-time special.

Among local and regional stations receiving citations were WGBH-TV Boston for *Laughter's a Funny Business*; KING-TV Seattle for *Seattle Reports*; KNXT Los Angeles for "Hell Flower," a one-time special. Regional first for school telecasts went to WCET Cincinnati for *Biology Grade 9*.

**Equal Time Embroilment:** That Humphrey-Kennedy TV debate finally came off last week after nearly a fortnight of on-&-off scheduling. The forensic embroilment immediately boiled up in its wake charges of "rigging" and demands for "equal time" for the GOP from Republican National Chmn. Thruston B. Morton.

Although NBC-TV had first proposed to televise, the debate went through May 4 when the 5 Westinghouse Bcstg. Co. TV & radio outlets in Pittsburgh, Cleveland, Boston, Baltimore and San Francisco pre-empted 8:30-9:30 p.m. network fare to take a feed from WCHS-TV Charleston, W. Va. The telecast was also fed to several independent outlets in major cities. NBC-TV moved in on the national level, taping the debate to present a 20-min. highlight digest on *Today* May 5 in the 8-8:30 a.m. segment. Other highlights were aired on WRCA-TV N.Y.'s *11th Hour News*, and fed to the NBC-TV and radio networks. CBS-TV, normally a fast starter in coralling major news events, had turned down the WBC feed as impractical under Sec. 315. CBS announced it hoped to have a debate on the network, but backed away unless it could be given assurances that it would not be deluged with equal-time requests.

Morton's reflex action was a demand that the stations give as much time to GOP spokesmen as they had to the "rigged farce" staged by the Democratic Presidential rivals. First to respond was MBS Pres. Robert F. Hurleigh, who said he was ready to arrange a Republican reply. Not so ready is NBC. Replied the network:

"When NBC offered time for a debate between Sens. Humphrey & Kennedy, it was with full awareness that we would be subject to claims for equal time from other bona fide qualified candidates for the same position—the Democratic nomination for President. That is the limit of our obligation to give equal time." Added an NBC executive to us unofficially, "Morton would do well to read the wording of Sec. 315—unless he's really planning to run Nixon on the Democratic ticket."

Meanwhile, NBC-TV, whose *The Huntley-Brinkley Report* has been exploring economic conditions in W. Va., was involved in a hassle of its own with Republican Gov. Cecil H. Underwood. He protested to the network that the shows were "rigged," that citizens of his state were "outraged," that Brinkley's commentaries were "obnoxious."

Revlon is shifting to culture, in the wake of so-so success for its *Revlon Revue* series of specials on CBS-TV. Signed last week by Revlon are 4 specials that represent a complete change of pace for the onetime sponsor of \$64,000 *Question*. The 60-min. quartet, to be produced by Robert Herridge and due for May-June telecast dates, will feature: (1) The Philadelphia Orchestra conducted by Eugene Ormandy; (2) a special on American folk music; (3) a concert by a group of new young American serious-music performers; (4) Agnes de Mille's "Gold Rush" ballet adapted from the Lerner-Loewe Broadway musical "Paint Your Wagon." Additionally, CBS-TV had recently announced an increase in cultural projects for prime-time airing (Vol. 16:16 p11). But in a reverse shift, Ford has notified NBC that it is canceling its culturally-angled *Startime* series effective May 31, leaving at least 4 unproduced Ford specials on the shelf. Instead it is buying a summer participation schedule in *Laramie* and *Riverboat*.

"The Twisted Cross," NBC-TV's *Project 20* episode depicting the rise & fall of Hitler, has won one of *Scholastic Teacher's* 11th annual national film & film strip awards.

Princess Margaret's wedding was brought to U.S. viewers with a variety of communications devices. Early film "bulletins" were slow-scanned via transatlantic phone cable. An RAF jet plane sped BBC-TV tapes to CBC, which relayed coverage to NBC-TV and CBS-TV. More tapes were jet-flown by BOAC to N.Y.'s International Airport, where mobile units stood by as playback units to feed the networks with more coverage of the event. First on the air in the U.S. was NBC-TV which inserted 1-2 min. "bulletins" in the *Today Show*. Later, NBC telecast "The Royal Wedding" in 2 parts, a 120-min. afternoon special telecast and a 60-min. evening show May 6, both brought to viewers—but not "sponsored," under rigid royal protocol rules—by Frigidaire via Dancer-Fitzgerald-Sample. CBS-TV provided Canadian-relayed afternoon coverage up to the crucial "I do," at which point 11 BBC-TV tape recorders at London Airport were halted and the tapes hustled aboard a waiting N.Y.-bound jet. (BBC's cameras were the only ones permitted within Westminster Abbey.) A more complete coverage was fed by CBS-TV as a special event at 11:15 p.m. No network sponsorship deal was made in time by CBS-TV, and the event was fed to stations for co-op sale. ABC-TV held out for a complete coverage, airing 30-min. of BBC-TV tapes at 5 p.m. An MVT-TV mobile tape unit at International Airport served as the playback point, receiving the tapes about 15 min. before the show went on the air. Yardley of London, via N.W. Ayer, bought the ABC-TV event.

Bra & girdle commercials have aroused more TV viewer protests than anything else on home screens except the "general level" of programming, reports NAB's TV Code staff. Of 624 letters of complaint by viewers received at Washington hq in the past year, 107 opposed bra & girdle presentations, 132 said TV programming wasn't good enough. On the other hand, the staff heard no public complaints in such program categories as crime-justified, treatment of news, controversial issues, religious programs, lottery, astrology. But 107 letters said the educational & cultural content of TV shows needs improvement. Among beefs, 104 objected to "excessive" advertising; 33, derision of race or religion; 18, "immorality"; 20, lack of decency & decorum"; 27, "excessive violence"; 67, bullfighting; 6, lack of "responsibility to children" in mystery, adventure and western shows; 3, alcoholic beverages in shows; 33, alcoholic beverages in advertising. Only 3 of the 624 letters cited "misleading" advertising on TV.

TV doesn't impair "moral values" of children, according to most school teachers polled in a national survey conducted by the National Education Assn. Employing sampling techniques used in Gallup & Roper polls, NEA researchers reported that 57% of the teachers thought TV had little or no effect on such values, 31% said they didn't know, 6% figured TV caused pupils "to be more lax & compromising in their own values," 6% saw evidence that TV encouraged children to re-examine & improve values.

Improvement in TV programming to the point "that it will appeal to the most discriminating" might well be considered by the TV industry, even though "TV is primarily a medium of entertainment and should remain so," stated CBS-TV Pres. James T. Aubrey Jr. in Cleveland last week at the 9th annual convention of American Women in Radio-TV. "I recognize as clearly as the next man the abuses that have grown up. But it is my belief that to permit them to obscure & nullify the great accomplishments of this extraordinary medium is an act of desperation & defeatism."

## Auxiliary Services

AFTRA is exploring pay-TV scales for performing talent, although we're told by an AFTRA executive that "the union has made no move to set up a firm scale of any kind." AFTRA's attitude, however, is that the explorations are worthwhile so that "we won't have pay TV using live or taped actors, coming in the back door and leaving us with a hassle over union jurisdiction." The union has indicated to pay-TV interests, such as Telemeter, that it would be willing to discuss "mythical TV situations" (such as the telecasting of Broadway shows for a multi-city paying audience). One important AFTRA position: a pay-TV scale "is not likely to be less than a comparable free-TV network scale."

New pay-TV device was announced by Blonder-Tongue Labs, which termed it "the simplest & most economical approach yet," but declined to give any details. The device, installed in the receiver, is described as a "circuit with no tubes or transistors, requiring no power." No form of signal scrambling is involved, and the system may be used with wired or on-air TV and "almost any method of collecting subscription fees from viewers." Approximate cost would be \$25 per set plus \$5 installation, according to Chmn. I. S. Blonder.

Limitations on CATV microwaves are sought in a petition for rule-making filed with FCC by KREX-TV Grand Junction, Colo. The station seeks amendments to "place restrictions on the utilization of microwave service where such use results in the nullification or diminution of the rights of networks and other program producers in the use of their lawful property . . ." The FCC has under consideration similar petitions filed previously, hasn't reached a decision.

First illegal vhf booster in the East has turned up. It operates intermittently on Ch. 12 near Lebanon, N.H., translating Lebanon's Ch. 81 uhf translator, which translates WRLP (Ch. 32) Greenfield, Mass. It's reported to be causing interference with signals of WPRO-TV (Ch. 12) Providence.

Translator starts: K70BU Weed Heights, Nev. began Feb. 15 repeating KXTV Sacramento. K71AU & K74AY Salt Lake City have changed target to June 1 for operation as U. of Utah campus stations originating own programs, occasionally repeating educational KUED. K70AD Marietta, O., started Feb. 29 with WTAP Parkersburg, W. Va.

Translator CPS granted: Ch. 75 & 81, Granite Falls, Minn., to Minnesota Valley Improvement Corp.; Ch. 77 & 83, Carrizo Springs & Crystal City, Tex., to Winter Garden Translator System Inc.

Pacific Northwest Community TV Assn. elects: Courtney M. Kirkeeng, Kennewick, Wash., pres. Lee Hallett, Wenatchee, Wash., management vp. Joe Leonhart, Coquille, Ore., technical vp. James H. Lenahan, Coos Bay, Ore., secy.-treas. Lee Stoner, La Grande, Ore., sgt. at arms.

CATV-control bill (S-2653) is now on the Senate calendar and due to be taken up on the floor May 17—postponed from May 11 because several interested Senators were to be out of town on the earlier date.

Educational translator is planned by WBTW Charlotte, N.C., which has reported that it will build a repeater adjacent to its Spencer Mt. transmitter to carry programs of educational WUNC-TV Chapel Hill.

## Networks

**ABC Selling Activity:** ABC-TV hopes to close a convention-coverage deal "within the next 2 weeks" and has "at least one interested advertiser presently negotiating," we were told last week by an ABC-TV sales executive. ABC is asking "around \$4.9 million" for convention coverage, a figure "somewhat lower than CBS's." (CBS has sold its convention coverage to Westinghouse but NBC's coverage is still unsold.) Advertiser interest in American Football League coverage also is strong, ABC said. Should the network obtain at least two-third sponsorship for the grid games by mid-May, it will go ahead with telecasts.

ABC has also begun an active sales campaign on the Churchill series, which will use animation, dramatization and some Churchill vocal records as well as interviews with persons closely associated with the ex-Prime Minister.

Forced political TV time on networks would have "many superficial attractions, especially to politicians," but it would make "a mockery" of the Constitutional First Amendment, stated WOW-TV Omaha vp & gen. mgr. Frank P. Fogarty in an address before students & guests of the U. of Missouri's 51st annual Journalism Week. Such govt. interference would also infringe on TV property rights of long-distance lines, technical facilities, manpower, and would commandeer "the property of the network affiliates without making any demands on the non-network station," he added. Another guest, WBC Pres. Donald H. McGannon, reminded: "The existence of electronic media has not changed the pure objective of journalism, which is to keep the people fully & accurately informed."

Interleaved picture & sound experiment is proposed by NBC in a request filed with FCC. In a letter to the Commission, NBC states that video & audio are usually networked over different AT&T routes and that there are more drop-outs in audio than in picture. Interleaving picture & sound and transmitting both over the same facilities, NBC said, would provide an emergency source of sound during drop-outs of the regular audio circuit—and "adequate standby sound quality can be obtained by use of this system without noticeable picture degradation and without interference to any TV station." NBC seeks a 30-day test starting May 15; the request is being processed by FCC.

Positions on CATV expressed by CBS, NBC & NAB (Vol. 16:15 p13) were inserted into the *Congressional Record* last week by Sen. McGee (D-Wyo.). He also inserted April 25 *Time* magazine article on pay TV and a newspaper article reporting that a doctor found a direct connection between a 13-year-old boy's TV viewing habits and his beating & stabbing of an elderly widow.

CBC & AFM have completed negotiations, subject to ratification, for a collective agreement governing the employment of musicians in Canadian network TV-radio broadcasting. When ratified, the new rates & conditions of the agreement will be retroactive to April 1 and will continue until March 31, 1963.

Among 8 top crime-mystery shows, Trendex finds the *Untouchables* leading in number of men selectors (67 per 100 homes); *77 Sunset Strip* leading for women selectors (56) and *Mr. Lucky* leading for under-18 selectors (30).

CBS News, which begins its coverage of the Democratic convention July 11 in Los Angeles, will report both conventions with a crew of nearly 300.

### Latest profile of

## The Network TV Viewer

REACHING the *right* TV audience—not just a nice big rating number—has become a matter of increasing concern to major TV advertisers in the face of rising network program & time costs. Last week, NBC-TV sales executives were making agency-advertiser rounds armed with a special report that provides many audience-reaching guideposts for admen involved in the earliest fall sales season (Vol. 16:18 pp2 & 5).

The report, highlights of which appear below, is based on March 1960 data from American Research Bureau diaries. It is an attempt to push beyond numerical rating levels to obtain an up-to-date profile of the network viewing audience. Reported NBC:

- There are more than 2 viewers-per-set in the average U.S. TV home at night. There are 229 viewers watching in every 100 TV-tuned homes—91 women, 73 men, 21 teenagers, and 44 children.

- Women, not unnaturally, during daytime network hours, outnumber men by nearly 4 to one and children by 2 to one.

- The nighttime shows that attract the largest audiences, in the sense of family group, are 60-min. shows (234 viewers per 100 homes). But situation comedies (generally 30-min. length) usually draw the biggest groups among types of shows.

- Women are more bloodthirsty than they will generally admit to a PTA meeting. Slightly more women than men (85 vs. 82 in 100 viewing homes at night) are watching Westerns, and noticeably more women than men watch mystery or suspense shows (91 vs. 77) and adventure series (83 vs. 77).

- Men outrank women in the audience for only one of the major program categories of nighttime network TV: sports. In the average 100 living rooms watching an evening network sports show, there are 100 men, 49 women, 10 small children, 7 teenagers.

- On the other hand, women are interested in more shows than they're credited for by some males. In every 100 viewing homes tuned to a 60-min. network nighttime documentary show (*World Wide 60*, *CBS Reports*, etc.) there are 100 women, 82 men, 19 children and 9 teenagers watching, for example.

- Teenagers, backbone of the movie industry's theater and drive-in audience, represent virtually a lost audience to TV. Only 2 nighttime shows—The Sat.-night *Dick Clark Show*, with 49 teenagers per 100 viewing homes, and *The Many Loves of Dobie Gillis*, with 42—do a sizable job of attracting them. Most shows are lucky to collect 20 teenagers per 100 viewing homes, and some—like *Original Amateur Hour* with 6, and NBC's *Journey to Understanding* with 5 per 100—are practically ignored.

- The largest audiences per set during daylight network hours are attracted not by live programming or even fresh film programming but by film reruns (174 viewers per 100 viewing homes vs. an all-daytime-program-average of 161). Sole exception: *American Bandstand*, of which more than 50% of the audience is under 17.

These are the highlights of NBC's general audience findings. But there were also a number of striking facts



that emerged from program-by-program audience study.

Rare is the evening TV network show that can claim a balance between men & women in every 100 viewing homes. A few: *The Alaskans* (84 men, 85 women), *The Rifleman* (77 men, 77 women), *The Untouchables* (91 men, 90 women), *Have Gun, Will Travel* (84 men, 89 women).

Another relatively rare bird is the "family-appeal" TV show, although almost any producer and/or network sales dept. will lay claim to the distinction at the drop of an option. Combined, the total of small children & teenagers in a program's usual home audience seldom reaches the level of adult male viewers, which in turn is almost invariably topped by the number of women watching.

The nearest thing to a "balanced" family audience in nighttime TV is CBS-TV's *The Many Loves of Dobie Gillis* which, with its strong juvenile appeal & Max Shulman's special brand of adult comedy, produces 238 viewers per 100 viewing homes and a breakdown of 77 children, 42 teenagers, 46 men, 73 women.

Proof of an audience-attraction theory (held by such admen as Ted Bates' Richard A. R. Pinkham—Vol. 16:16 p20)—that American women object strenuously to their husbands having a roving eye, but like to watch a sexy male in action on a TV screen—is also to be found in this ARB data. The figures throw considerable light on the fondness for shows starring Muscle Beach-types (as opposed to Actor's Studio types) among agencies that handle fast-turnover packed products such as drugs & cosmetics.

Here are a few figures on some presumably-male-appeal shows: *The Texan* (Rory Calhoun), 64 men, 82 women; *Adventures In Paradise* (Gardner McKay), 74 men, 90 women; *Tightrope* (Michael Connors), 67 men, 82 women; *Johnny Ringo* (Don Durant), 76 men, 83 women; *77 Sunset Strip* (Efrem Zimbalist Jr., Roger Smith), 78 men, 95 women.

Do the NBC-ARB figures & charts (see below & top of next column) point up an advertising moral for the fall season? It may well be: Never underestimate the power of a woman—if her hand is within reach of a TV dial. Women are the dominant factor in network TV audiences.

**Evening Network Audience Composition  
By Program Types**

(Mon.-Sat. 7:30-11 p.m., Sunday 7-11 p.m.)

Type	Length	No. of Prgms	C	T	M	W	VPS
AVERAGE EVENING	All	109	.44	.21	.73	.91	2.29
	90 Min.	2	.42	.15	.68	.97	2.22
	60 Min.	33*	.44	.20	.78	.92	2.34
	30 Min.	74	.44	.21	.71	.90	2.26
WESTERN DRAMA	All	25	.52	.23	.82	.85	2.42
	60 Min.	8	.60	.24	.82	.88	2.54
	30 Min.	17	.47	.22	.81	.83	2.33
VARIETY	All	20	.41	.18	.72	.99	2.30
60-MINUTE	All	11**	.37	.15	.74	1.04	2.30
Musical		4	.30	.10	.72	1.08	2.20
General		7	.40	.17	.75	1.02	2.34
Children		1	1.24	.31	.65	.70	2.90
30-MINUTE	All	7**	.30	.17	.71	1.00	2.18
Musical		3	.32	.14	.68	1.05	2.19
General		4	.28	.18	.73	.96	2.15
Children		1	.74	.49	.58	.81	2.62
MYSTERY & SUS-PENSE DRAMA	All	18	.26	.22	.77	.91	2.16
	60 Min.	4	.31	.25	.81	.93	2.30
	30 Min.	14	.23	.21	.75	.90	2.09
SITUATION COMEDY	30 Min.	13	.80	.25	.56	.87	2.48
QUIZ & AUDIENCE PARTICIPATION	30 Min.	10	.25	.15	.73	1.00	2.13
GENERAL DRAMA	All	9	.28	.17	.71	.97	2.13
	90 Min.	2	.42	.15	.68	.97	2.22
	60 Min.	3	.23	.16	.71	.95	2.05
	30 Min.	4	.23	.19	.72	.98	2.12
ADVENTURE	All	6	.45	.25	.77	.83	2.30
	60 Min.	3	.39	.25	.79	.86	2.29
	30 Min.	3	.52	.25	.76	.78	2.31
DOCUMENTARY & NEWS	All	4	.25	.10	.75	.82	1.92
	60 Min.	1	.19	.09	.82	1.00	2.10
	30 Min.	3	.25	.10	.74	.79	1.88
INTERVIEW	30 Min.	2	.12	.10	.67	1.02	1.91
SPORTS	45 Min.	2	.10	.07	1.00	.49	1.66

**Daytime Network Audience Composition  
By Program Types  
(10 a.m.-1 p.m., 2-5 p.m.)**

Type	Length	No. of Prgms	C	T	M	W	VPS
AVERAGE DAYTIME QUIZ & AUDIENCE PARTICIPATION	All	32	.41	.14	.23	.83	1.61
SERIALS	30 Min.	10	.35	.08	.26	.86	1.55
	All	9	.17	.07	.15	1.01	1.40
	30 Min.	6	.22	.09	.16	.99	1.46
	15 Min.	4	.10	.04	.18	1.03	1.30
FILM RE-RUNS	All	9	.64	.19	.23	.68	1.74
General Drama	30 Min.	2	.34	.15	.20	.89	1.58
Situation Comedy	30 Min.	5	.75	.19	.21	.65	1.80
Western & Adventure	30 Min.	2	.76	.27	.34	.48	1.85
GENERAL DRAMA	30 Min.	2	.14	.09	.29	.88	1.40
INTERVIEW	30 Min.	1	.42	.04	.26	.84	1.56
POPULAR MUSIC	60 Min.	1	.65	.47	.27	.65	2.04

Source: NBC Research Dept. study based on American Research Bureau report for Mar. 1960. \*Includes: Cavalcade of Sports and Wednesday Night Fights—both 45 minutes. \*\*Excludes: Children Variety—60-Minute—Walt Disney Presents; 30-Minute—Dick Clark. Explanation of column heads: C—Children (Under 13). T—Teenagers (13-17). M—Men (18 and Older). W—Women (18 and Older). VPS—viewers per set.

**NETWORK SALES ACTIVITY**

**ABC-TV**

- Alaskans, Sun. 9:30-10:30 p.m., participations eff. May 22. *Mutual Benefit Health & Accident Assn.* (Bozell & Jacobs); participations eff. Sept. 25. *Du Pont* (BBDO)
- Adventures in Paradise, Mon. 9:30-10:30 p.m., participations eff. Oct. 3. *Du Pont* (BBDO)
- The Law & Mr. Jones, Fri. 10:30-11 p.m., alternate half-hr. sponsorship, eff. fall 1960. *Procter & Gamble* (Compton)
- Daytime programming, participations eff. May 17. *Curtis Publishing* (BBDO); participations eff. Sept. 7. *Alberto Culver* (Wade)
- Cheyenne, Mon. 7:30-8:30 p.m., participations eff. this fall. *Peter Paul* (Dancer-Fitzgerald-Sample)
- Surfside Six, Mon. 8:30-9:30 p.m., alt.wk. sponsorship eff. fall 1960. *Pontiac div. GM* (MacManus, John & Adams) participations eff. fall 1960. *Johnson & Johnson* (Young & Rubicam)
- Naked City, Wed. 10-11 p.m., pre-Christmas buy, participations. *Samsonite* (Grey)
- Daytime programming, participations eff. fall 1960. *Curtis Publishing* (BBDO)

**CBS-TV**

- Angel, Thu. 9-9:30 p.m., eff. fall 1960, co-sponsorship. *General Foods* (Benton & Bowles) *S. C. Johnson* (Benton & Bowles)
- Summer Olympics, daytime & eve. programming, eff. Aug. 26-Sept. 12. One-quarter sponsorship. *P. Lorillard* (Lennen & Newell)

**NBC-TV**

- Wagon Train, Wed. 7:30-8:30 p.m., eff. fall 1960, sponsorship renewals. *Ford Motors* (J. Walter Thompson) *National Biscuit Co.* (McCann-Erickson)
- The George Burns Show, Tue. June 7, 8:30-9:30 p.m., special, full sponsorship. *Warner-Lambert* (Lambert & Feasley)
- Thriller, Tue. 9-10 p.m., eff. fall 1960, co-sponsorship. *Glenbrook Labs* (Dancer-Fitzgerald-Sample) *American Tobacco* (Sullivan, Stauffer, Colwell & Bayles)
- Dante, Mon. 9:30-10 p.m., eff. fall 1960, co-sponsorship. *Alberto-Culver* (Wade) *Singer Sewing* (Young & Rubicam)
- Jackpot Bowling, Mon. 10:30-11 p.m., eff. fall 1960. *Bayuk Cigars* (Wermer & Schorr)

## Advertising

**Reps Say No to BBDO:** Lower summer TV rates, suggested in a letter to stations from BBDO April 23, will not be adopted by most stations, several N.Y. reps indicated in N.Y. last week. The letter, signed by BBDO spot broadcast media supervisor Ed Fleri, asked stations for opinions on reduced summer rates and plans to revise rate cards during summer months to bring summer rates in line with lower sets-in-use.

"We feel we have established for our stations a good all-around-the-year rate card," a Katz Agency spokesman told us, admitting however that TV advertisers "have a slightly better buy" in fall-winter. "There is no good reason for special summer discounts for our stations," a Blair TV sales exec. said, adding, "We have always had 2 categories of spot buys, which in effect give advertisers summer discounts because of the large quantity of availabilities at that time." Most other reps we contacted echoed this.

On the other side of the fence, Westinghouse Bcstg. Co. recently adopted a discount arrangement called "optional equation plan" which lets an advertiser buy at a 35% discount for 13 summer weeks beginning June 5. The year-round advertiser, however, forfeits the 52-consecutive-week discount of 20%, dropping back to 15% for non-summer weeks.

Two more ad agencies were rebuffed in attempts to seek revised spot rates from reps & stations. Benton & Bowles, which has been probing station attitude toward possible 120-sec. spot announcements for a new P&G food product, has met with a cool reception because the spots call for creation of a new rate. McCann-Erickson, which has assisted client Lehn & Fink in determining station attitude toward receiving large L&F spot orders at less than national rates, drew criticism from the Station Reps Assn. in a letter warning rep members to avoid the deals.

**Tea takes to TV.** Total 1959 gross TV time billings for the tea industry was in excess of \$7.9 million. This represented 7.2% increase over 1958. Network gross time accounted for \$3.3 million last year, and spot exceeded \$4.6 million, according to the latest TvB category study released last week. Largest single tea spender for TV in 1959 was Lever Bros.' Lipton, which spent \$4 million for gross network & spot time. Standard Brands spent \$1.4 million for Tenderleaf tea.

Cancer suit against Liggett & Myers has been lost by 61-year old Otto Pritchard. He had sued L&M for \$1,250,000 claiming he contracted lung cancer from smoking Chesterfields. The trial, in Pittsburgh before Federal Judge John L. Miller, lasted 20 days, during which the jury heard much conflicting testimony from medical experts. Judge Miller, at the close of testimony, directed the jury to find a verdict in favor of defendant L&M, saying, "The court is of the opinion that no substantial evidence has been offered to support a verdict against the defendant on a theory of negligence." Pritchard's attorneys have already appealed the verdict.

**THEY KEEP WATCHING:** Is public interest in TV dropping in the wake of industry probes? Nielsen and Trendex set-usage figures this spring indicate there is little change. Currently, reports Nielsen, the average U.S. TV home is watching TV 5 hrs., 47 mins. daily—up 7 mins. from last year's level. Trendex's measurement of prime-time viewing (7:30-11 p.m., except Sun. 7-11 p.m.) in nearly 30 three-network markets also indicates little difference in homes-using-TV this year as against last:

	TV USAGE		TREND: 1959 & 1960			
	Hours per day (Nielsen)		Sets in use during the average day Nielsen (national)		Trendex	
	1959	1960	1959	1960	1959	1960
February	5:52	5:53	64.0	63.3	59.5	56.3
March	5:40	5:47	62.6	61.7	59.0	59.2

**Kintner To SRA:** TV-commercial consultation in the storyboard stage (the Clipp Plan) would represent a "fine step forward" toward industry self-regulation, FTC Chmn. Earl W. Kintner told the Station Reps Assn. annual awards luncheon. Self-regulation, he said, will not make govt. regulation unnecessary, however, but "working self-discipline eliminates the need for more law & regulation, and even the temptation of some to seek greater control." Warned Kintner: "Make no mistake about it—there will be more law and there will be more regulation unless all of you and your colleagues give more than lip-service to the self-promulgated standards which you . . . have established."

SRA award winners included: Harold B. Simpson, William Esty Co., who received the "Silver Nail Timebuyer of the Year" award; Louis J. Nelson, vp & marketing dir., Wade Advertising, Chicago, who won the Gold Key as agency executive of the year; and Genevieve Lemper, named Chicago timebuyer of the year.

**In Other Media:** Record ad revenue of \$192,127,622 was piled up by magazines in the first quarter, according to a PIB measurement of 83 farm & consumer publications. The ad volume was 15.3% or \$25,471,806 ahead of the year-ago pace. Ad pages increased 5.9% to 18,377 from 17,352.

**Ad People:** Anthony V. B. Geoghegan, Young & Rubicam exec. vp, named chmn. of both the agency's plans boards, following the relinquishment by Louis N. Brockway of his duties as exec. committee chmn. . . . Herbert D. Maneloveg promoted from associate media dir. to media dir., BBDO, succeeding Fred Barrett, retired . . . Robert M. Gillham, ex-Paramount Pictures, J. Walter Thompson and Cunningham & Walsh, named special representative for Sindlinger & Co. He will hq in N.Y. . . . *Advertising Age* points out that the number of J. Walter Thompson vps has increased in 7 years from 78 to 132.

Richard M. Dunn, ex-Compton, named TV bcstg. dir., Wade Advertising . . . Robert Young, Bruce Allen, Paul Benson elected Benton & Bowles vps . . . Thomas F. Maschler, Lawrence G. O'Neill named Kenyon & Eckhardt vps.

### Station Rate Increases

Station	Base Hour	Minute	Date
WJW-TV Cleveland	\$2000 to \$2200	\$600 to \$650	April 1
WEWS Cleveland	1700 to 1900	575 to 625	April 17
WISN-TV Milwaukee	120 to 1400	230 to 300	April 1
WLWI Indianapolis	1100 to 1300	270 to 325	May 1
WSJS-TV Winston-Salem	700 to 750	140 to 150	May 1
KOLN-TV Lincoln, Neb.	450 to 500	100 to 115	May 1
KSWO-TV Lawton, Okla.	280 (no change)	70 to 80	not reported

### Obituary

Paul Brown West, 67, pres. for 28 years of the Assn. of National Advertisers, and one of the founders of the Advertising Council in 1942, died May 5 in N.Y. He is survived by his wife, a son and daughter and 2 brothers.

# Television Digest

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**Personals:** Aaron Rubin promoted from NBC controller to vp-treas. . . Arthur Harvey, ABC labor relations dir., also named dir. of business affairs for Western div. . . Harold F. Uplinger named production mgr., KNXT Los Angeles and CBS Pacific Coast TV network . . . Alan Livingston, ex-NBC-TV program vp in Hollywood, has signed 5-year pact with NBC-TV as program advisor.

Joseph Mikita named financial vp & controller, Westinghouse Bcstg. Co. . . David M. Sacks named gen. mgr., KGO-TV San Francisco . . . John Fernandez appointed sales mgr. of NTA Spot Sales; Lionel Furst named spot sales liaison mgr. . . Lee Palmer, auditor of WBZ-TV & WBZ Boston, named also business mgr.

Payson Hall, Meredith Publishing Co. TV-radio dir., named pres. of newly-formed Meredith Bcstg. Co., and exec. vp of Meredith Publishing Co. Frank P. Fogarty, vp-gen. mgr. of WOW-TV Omaha, named exec. vp & chief operating exec., Meredith Bcstg.

Eugene Burr, CBS-TV producer of *Verdict Is Yours*, appointed NBC-TV creative programming dir. . . W. M. Carpenter takes year leave as Community Club Awards exec. vp to act as vp-gen. mgr., WAPA-TV San Juan, Puerto Rico . . . John B. Kenkel & John P. Bankson Jr. advanced to partnerships in Washington TV-radio law firm of Miller & Schroeder.

Harold L. Neal Jr., recently appointed WABC radio (N.Y.) gen. mgr., named also a vp of ABC div. in charge of WABC . . . Walter McNiff, TvB Western div. dir., elected vp . . . Vernon M. Welsh has resigned as General Dynamics communication vp to organize his own communications consulting firm . . . John Willmott named production mgr., WSPA-TV Spartanburg, S.C. . . Arnold K. Knippenberg, ex-KTVI St. Louis, named TV head of Peters, Griffin, Woodward's new St. Louis Office . . . David E. Wilson promoted from director at educational WHYI-TV Philadelphia, to production mgr. . . Thomas Shack, ex-FCC domestic radio facilities div., joins Washington law firm of Smith & Pepper.

Ex-FCC Chmn. John C. Doerfer plans to open administrative law practice about June 1, with offices at 1735 De Sales St. N.W., Washington. He won't handle cases before FCC for 10 months because he's prohibited from doing so by the Communications Act.

Meetings this week: Assn. of Federal Communications Consulting Engineers annual meeting (May 9-10), Pompano Beach Club, Hamilton, Bermuda . . . Institute of Radio Engineers symposium (9-11), Hotel del Coronado, Coronado, Cal. . . Advertising Federation of America (AFA) 4th dist. convention (12-15), Beach Club Hotel, Fort Lauderdale, Fla. . . S. D. Bcstrs. Assn. annual meeting (13-15), Sheraton-Johnson Hotel, Rapid City . . . AFA 2nd dist. convention (14-16), Skyline Inn, Mt. Pocono, Pa.

Meetings next week: Ia. Bcstrs. Assn. annual convention (May 16), Hotel Fort Des Moines, Des Moines . . . Electronic Parts Distributors Show (16-18), Conrad Hilton, Chicago . . . Academy of TV Arts & Sciences forum on "Easterns," film production in N.Y. (17), Gold Medal Studios, 807 E. 175th St. . . Sigma Delta Chi annual banquet (18). Distinguished journalism awards will be presented, National Press Club, Washington, D.C. . . Ill. Bcstrs. Assn. meeting (18-19). FCC Comr. Robert E. Lee, and Walter Schwimmer, pres. of Walter Schwimmer Inc., program-packaging firm, will speak, Hotel Orlando, Decatur . . . EIA annual convention (18-20), Pick Congress Hotel, Chicago . . . Pa. Assn. of Bcstrs. meeting (18-21), Galen Hall, Reading . . . S. Cal. Bcstrs. Assn. luncheon meeting (19), Hollywood Knickerbocker.

Frederick L. Schuman, political scientist & prolific author who teaches at Williams College, will speak on "World Politics: Retrospect & Prospect" July 14 at NAB's July 10-22 executive development seminar at Harvard Graduate School of Business Administration. NAB broadcast personnel & economics mgr. Charles H. Tower and Harvard's Dr. J. Sterling Livingston & William P. Gormbly Jr. will direct the seminar. The course will be attended by 65 network & station executives from 29 states. Selection by NAB of participants was limited to one applicant per station and not more than 2 from any station group-ownership organization.

Life on a Pogo Stick, Ken Murray's autobiography, has been published by the John C. Winston Co. (\$3.95, 180 pp.).

## Obituary

Harry A. Babcock, 68, who retired April 1 as exec. dir. of FTC and joined the Washington law firm of Weaver & Glassie, died of a heart attack April 30. He had served with FTC 38 years. Born in Morgantown, W.Va., he received a law degree from the U. of Mich. in 1916, served as an Army aviator in World War I. He worked briefly for the Goodyear Tire & Rubber Co. before joining the FTC, where he became exec. dir. in 1957. His wife died last Aug. Surviving is a son.

Parker D. (Bud) Hancock, 46, partner in Hogan & Hartson, Washington law firm, died May 1 of complications following a gall bladder operation. Before joining Hogan & Hartson in 1951, he was chief of FCC's Office of Opinions & Review. He was born in Shreveport, La., grew up in Indiana, practiced law in Kentland, Ind., served in the Army 1942-46 before joining the Commission. Surviving are his widow and a daughter.

John W. Elwood, 64, radio pioneer and former NBC program dir. & public affairs vp died April 23 of a stroke in Palo Alto, Cal. He was NBC international div. mgr. until he became mgr. of radio KNBC San Francisco in 1942. After his retirement in 1950, he directed Radio Free Asia for 2 years. Surviving are his wife and 3 children.

# Trade Report . . . .

MAY 9, 1960

**SALES & PROFITS CONTINUE RISE:** Electronics companies continued to improve their financial position in first-quarter 1960, albeit at a slower pace than in 1959. That's evident from our quarterly compilation of sales & profits of "weathervane" firms in the industry, culled from reports in our finance section.

The 25 companies selected for our first-quarter tabulation aggregated a 10.8% increase in after-tax profits on 5.8% higher sales, compared with first-quarter 1959. This rise is noteworthy when you consider that our electronics financial index of substantially the same companies showed increases of 23.3% in profit and 12.4% in sales in first-quarter 1959 over first-quarter 1958 (Vol. 15:20 p1). It's also interesting to note that the first-quarter-1960 profit increase in electronics is favorable when compared with the Wall Street Journal's recent all-industry compilation showing that 389 firms aggregated 6.6% 1960-over-1959 rise for first quarter.

That many companies are not sustaining 1959's pyramiding pace in 1960 is demonstrated by the number of firms showing decreases compared with first-quarter 1959. In sales, 6 of the 25 (24%) failed to match their 1959 performance, while 5 (20%) reported profits lower than in first-quarter 1959—although in most cases, declines were quite small. On the other hand, none of the weathervane firms reported a net loss for the first quarter.

We've subdivided our 25 index companies into 4 categories—fields in which they are best known—for the sake of classification, although almost all of them are diversified and overlap into other groups. We found that the semiconductor-tube group showed the biggest sales & profit increases (largely because of the big jump taken by Texas Instruments), the components group the 2nd biggest. Smallest increases, as usual, were posted by the large, extremely diversified companies.

For the first time since we began our quarterly financial surveys more than a year ago, profits increased at a lower rate than sales in 3 categories—consumer electronics, components & semiconductor-tube. During all of 1959, as our annual-report tabulation showed (Vol. 16:11 p17), net profits in all categories rose at a far higher rate than sales.



Here are the aggregate results of the 25 representative electronics firms for first-quarter 1960 compared with the same 1959 period, by groups:

The 9 companies primarily known as consumer electronics firms increased their profits a total of 8.3% on 13.8% higher sales. Seven of the 9 reported both sales & profit increases during the 1960 period. The firms in this group are Admiral, Arvin, Hoffman, Magnavox, Motorola, Packard Bell, Philco, Siegler, Zenith.

In the components group the 8 firms aggregated 10.8% more net earnings than last year, while sales went up 14.1%. Three of the 8 showed lower sales than in 1959's first quarter, while 2 reported profit declines. The companies in this classification are Globe-Union, International Resistance, P. R. Mallory, Muter Co., Oak, Radio Condenser, Speer Carbon, Standard Coil.

Three companies in the semiconductor & tube group noted profit increases of 25.4% on 26.7% more sales, all of them showing both sales & profit increases from the year-ago period. They are General Transistor, Texas Instruments and Tung-Sol.

In the group of large diversified firms, net profits went up 8% while sales inched 2% higher. One of the 4 firms failed to meet its 1959 record in the first-quarter-1960 sales & net earnings. The companies; GE, GT&E RCA, Westinghouse.

This table summarizes the first-quarter 1960 operating results of the 25 weathervane firms in terms of percentage increase over first-quarter 1959:

	Net Profit	Sales
Consumer Electronics Group (9 companies) .....	+ 8.3%	+13.8%
Components Group (8 companies) .....	+10.8%	+14.1%
Semiconductor-Tube Group (3 companies) .....	+25.4%	+26.7%
Diversified Group (4 companies) .....	+ 8.0%	+ 2.0%
AGGREGATE 25 COMPANIES .....	+10.8%	+ 5.8%

**TV-RADIO PRODUCTION:** EIA statistics for week ended April 29 (17th week of 1960):

	April 22-29	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	110,499	101,809	92,157	2,003,155	1,779,801
Total radio .....	301,665	317,964	225,218	5,698,505	4,637,859
auto radio .....	97,682	105,218	117,422	2,262,582	1,786,168

**Hayakawa's TV Line:** This year's World Trade Fair, now in progress at N. Y. Coliseum, failed to reveal anything excitingly new in prospective consumer electronic imports, despite advance ballyhoo about a Japanese picture-on-the-wall TV set and a Polish-made TV, which were to have been displayed to importers.

In 2 visits last week, the only TV sets we could find were displayed by Hayakawa Electric Co., which is seeking U.S. distribution for them. The 3 sets shown all contained innovations, and so far as we could ascertain, are not yet in mass production in Japan.

Displayed by Hayakawa, under the "Sharp" label, were an 8-in. transistor portable TV, a 21-in. color set and a 17-in. b&w table model with wireless remote. A spokesman said no price ranges had yet been established for any of the sets. The battery-operated 8-incher, weighing about 14 lb., differs from previously announced & shown sets in that it operates on sealed wet cells—said to be easier to recharge—instead of dry batteries.

The color receiver—designed to retail initially in Japan for "more than \$1,000"—has one gadget we've never seen on any set before. It's a "color indicator"—red pilot light which glows when a color program is on the air to prevent the viewer from accidentally watching the color show in black-&-white. The 17-in. table model had a wireless remote unit, with a separate remote receiver which can be plugged into any Hayakawa TV set, according to a company spokesman. The remote receiver chassis may be placed under the set or behind it. The spokesman said this development makes it possible to sell any Hayakawa set with or without remote.

As for the mystery of the picture-on-the-wall TV, it was unsolved at week's end. Advance press releases for the World Trade Fair reported that a Japanese manufacturer (otherwise unidentified) would display a TV set using a bent-neck picture tube so slim it could be hung on the wall. But we didn't see it, and none of the exhibitors seemed to know anything about it. The Polish TV set wasn't there either, although the Poles did display several table model & portable radios.

Strike was averted at 3 Philco plants early last week when members of 2 IUE (AFL-CIO) locals ratified a one-year contract 2 hours before strike deadline. Some 6,000 workers are affected by the pact which provides a 6¢ hourly increase plus another 5¢ an hour in hospitalization, severance & vacation benefits. Skilled members will receive an additional 5¢ hourly boost in Aug. & 6¢ in Nov.

Semiconductor developments: (1) GT&E Labs and Sylvania jointly announced the development of a tunnel diode capable of operating at frequencies above 4,000 mc, said to be 4 times the range of previously announced tunnel diodes. GT&E Labs developed the device, Sylvania will manufacture & market it. (2) RCA demonstrated the first gallium-arsenide transistor capable of withstanding temperatures as high as 250° C, compared with a ceiling of 175° for highest-temperature silicon transistors. (3) Philco announced that a life test of its type 2N1500 M&DT germanium transistors indicated a failure rate as low as .0005% per 1,000 hours at 40° C under controlled conditions. (4) Electron Tube Information Council, formed last year by 7 large tube manufacturers to fight the inroads of semiconductors into the use of tubes (Vol. 15:13 p21), published a book, *Tubes & Transistors: A Comparative Study*, discussing advantages & limitations of both components. Address: 554 Fifth Ave., N.Y. 36.

Japanese-Irish radio firm, Sony Ltd., has been formed in Shannon, Ireland, and will begin production of transistor radios in June, reports Britain's *Wireless & Electrical Trader*. "They will produce about 1,000 sets a month for the first few months, and expand by the end of this year to between 5,000 and 10,000 a month," notes the magazine. "The Irish plant will begin assembling the Sony products locally with parts sent by the Japanese firm, but later it will use locally-produced parts. The Shannon factory is aiming at opening new outlets in markets where direct exports from Japan are difficult . . . Spain, Portugal, the Netherlands and African countries." The Japanese-Irish company reportedly was formed with a capital of \$140,000.

TV viewing conditions in classrooms are far different from home viewing, it was reported by John H. Wentworth, G. J. Whitley and H. X. Shoaf, all of RCA, in a paper presented at SMPTE's Los Angeles convention. They said that in classrooms it is normal to find more viewers per receiver, greater viewing distances, more ambient illumination, greater ambient noise and poorer acoustical treatment. There is evidence the most satisfactory classroom receivers will use standard 21-in. direct-view picture tubes, they added. RCA's ETV receiver, known as the Lyceum, employs a 21-inch aluminized tube and a chassis comparable to those used in home receivers.

Radio interference with operation of Army electronic equipment will be studied under an over-all \$18-million Signal Corps research contract with Bell Aircraft Corp.'s Avionics div. and Pan American World Airways. As part of the 2-year research, Pan American will set up an electronic environmental test facility near Ft. Huachuca, Ariz.

**RECORD COMPONENT SALES:** All-time 1959 high in components shipments (Vol. 16:18 p19) is detailed in figures supplied by the Commerce Dept.'s Business & Defense Services Administration for the last half of 1959, derived from the semi-annual joint survey of production capabilities by BDSA's electronics div. & Defense Dept.'s Electronics Production Resources Agency.

Data presented in the table represent estimated total industry shipments for last-half 1959 (12% higher than first half) rather than exact total shipments reported in the survey. A more detailed table—breaking down the following categories into product groups—is available from BDSA, Commerce Dept., Washington 25, D.C. The table gives estimated shipments of parts for electronic applications only during 2nd half of 1959.

Category	Units (add 000)		Value (add 000,000)			
	Total	Military	Non-Military	Total	Military	Non-Military
Power & special tubes ....	5,591	1,838	3,753	\$127.3	\$83.7	\$43.6
Receiving tubes .....	222,249	13,019	209,230	186.1	29.4	156.7
TV picture tubes .....	6,955	1	6,954	129.3	0.8	128.5
Semiconductors .....	118,935	32,240	86,695	217.8	105.3	112.5
Capacitors .....	664,605	72,735	591,870	122.9	36.9	86.0
Complex components .....	18,342	150	18,192	5.9	2.8	3.1
Connectors .....	42,832	28,009	14,823	76.0	53.3	22.7
Quartz crystals .....	2,480	1,042	1,438	7.0	2.2	4.8
Relays .....	11,808	4,451	7,357	83.6	43.1	40.5
Resistors .....	1,122,026	162,012	960,014	121.8	56.6	65.2
Transformers & reactors	13,036	2,956	10,080	74.6	36.4	38.2

Transistor sales in Feb. dipped below Jan.'s unit level but gained slightly in dollar volume, according to EIA figures. Unit sales for Feb. and for year-to-date were nearly double those of the comparable year-ago periods. Following are EIA's factory sales totals in units & dollars:

	1960		1959	
	Units	Dollars	Units	Dollars
January .....	9,606,630	\$24,714,580	5,195,317	\$13,243,224
February .....	9,527,662	24,831,570	5,393,377	14,550,056
<b>TOTALS</b> .....	<b>19,134,292</b>	<b>\$49,546,150</b>	<b>10,588,694</b>	<b>\$27,793,280</b>

EIA's 36th annual convention May 18-20 at Chicago's Pick-Congress Hotel will feature a report to the trade group's international dept. executive committee on the status of Japan's electronics industry, by dir. Donald S. Parris of the electronics div. of Commerce Dept.'s Business & Defense Services Administration. Other highlights: Election of officers & directors; presentation of the EIA Medal of Honor to EIA Pres. David R. Hull, Raytheon, by Sprague Electric Chmn. Robert C. Sprague; reports on the OCDM investigation of Japanese semiconductor imports and on Walsh-Healey minimum wage proceedings.

Japanese radio sales to Canada climbed to \$5,120,000 in 1959—up 770% over the \$590,000 of 1957. Sales in 1958 totaled \$1,840,000. Commenting on Japan's penetration of the Canadian market, the *Financial Post* listed radios among several "sensitive items" with which Japan has "created particular alarm, because Canadian producers have complained bitterly that they are being injured." Total Japanese exports to Canada in 1959 climbed to \$102.9 million, up 42% over 1958's sales.

Motorola has earmarked some \$700,000 to build & equip an 85,000-sq.-ft. addition to its 185,000-sq.-ft. radio plant in Quincy, Ill. Mfg. vp Walter B. Scott said construction will begin this month and is slated for completion by early fall. He said the expansion is necessary to meet "increasing production requirements for Motorola's clock, table and portable radios and to serve the needs of the automotive industry for car radios."

**Trade Personals:** RCA advances 7 executives to division vps to give "proper recognition & status to persons holding the increasing number of responsible positions." The new div. vps: bcst. & TV equipment div. gen. mgr. Charles H. Colledge; communications & industrial electronics operations div. gen. mgr. J. J. (Jack) Graham; astro-electronics products div. gen. mgr. Barton Kreuzer; Moorestown missile & surface radar div. gen. mgr. S. N. (Nate) Lev; industrial tube products dept. mgr. C. E. (Tex) Burnett; entertainment tube products dept. mgr. J. B. Farese; and Robert L. Yorke, commercial records creation dept., RCA Victor record div.

Gene K. Beare has been named president of new GT&E subsidiary GT&E International, consolidating the company's foreign activities, taking over international operations of Sylvania and Lenkurt Electric Inc., and with over-all responsibility for Automatic Electric International and subsidiaries . . . Jacob L. Miller, ex-Washington district sales mgr., named national sales vp, Sylvania Home Electronics Corp. . . . Frederick H. Townsend named entertainment equipment sales mgr., Westinghouse electronic tube div. . . . Laurence I. Wood, GE general counsel, elected also a vp & secy., succeeding Ray H. Luebke, retiring.

Frank O. Maltby named to new post of GE TV receiver dept. special mkt. sales mgr. . . . Kenneth A. Waldron promoted from govt. sales mgr. to govt. & industrial products mktg. mgr., CBS Electronics . . . William J. Curran, ex-GE, named dir. of market research, Packard Bell Electronics defense & industrial group, headquartering in Washington . . . Andrew Kaul III promoted from pres. to chmn., Speer Carbon Co., continuing as chief executive officer. George J. Fehrenbach promoted from exec. vp to pres. & chief administrative officer; William E. Hall, formerly chmn., named chmn. of the executive committee.

Lee Zemnick named community sales dept. mgr., Jerrold's system sales div.; Jeremiah E. Hastings promoted from asst. sales mgr. to mgr., military & industrial closed circuit systems dept. of the div. . . . Lloyd F. Bielenberg named asst. treas., Eitel-McCullough . . . Sidney Solomon, ex-Radio Receptor distributor sales mgr., named mgr. of new distributor dept. of General Instrument subsidiary Micamold Electronics, now making its high-reliability capacitors available through distributors.

Kenneth F. Petersen, ex-Du Mont national mktg. mgr., named gen. mgr. of new electronic systems div., Mechanical Products Inc., Jackson, Mich., outgrowth of Mechanical's recent purchase of Lambda-Pacific Engineering Co. (microwave systems); Kenneth L. Dumas, ex-Lenkurt Electric & GE, named engineering mgr.; Louis J. Francisco, ex-Divco-Wayne Electronics, appointed mfg. mgr. . . . David B. Tolins, mgr. of advertising & sales promotion, Sylvania semiconductor div., heads new dept. consolidating all advertising, sales promotion & merchandising activities of the div.; W. M. Maguire, former dir. of semiconductor merchandising activities, placed in charge of transistor, diode & rectifier sales to other Sylvania divs.

Arthur L. Reese, Motorola communications vp, elected to board of parent company . . . J. C. Hammond, vp of Franklin Mfg. Co., Minneapolis, named a dir. of Wells-Gardner, succeeding Ralph W. Davis, deceased . . . Howard Hagler named mktg. mgr., General Instrument thermo-electric div. . . . J. Wesley Leas, chief engineer, RCA electronic data processing, receives Ohio State U. "Texnikoi" award to outstanding electrical engineering alumnus; he's Class of '38 . . . Carol J. Seifert Sr., pres. of Borg Fabrics' Jefferson div., named an Amphenol-Borg Electronics vp.

**Finance**

**RCA SALES & PROFIT PEAKS:** Record sales and earnings were racked up by RCA in the first quarter of 1960. Sales reached \$361.2 million & net profits \$13 million, compared with \$321.8 million and \$12.9 million in the year-ago period, RCA Pres. John Burns reported to 1,600 stockholders gathered before a 2-story-high display of RCA products in NBC's studio 8-H N.Y. May 3. With RCA Chmn. Brig. Gen. David Sarnoff presiding, the meeting rolled along more smoothly than its predecessor with almost no fireworks and much comforting news for shareholders:

**TV-radio networks:** NBC-TV has just finished "the best first quarter for both sales & profits" in its history, Burns stated, with the fall schedule "fully two months ahead" in sales (Vol. 16:18 p5). The radio network's belt-tightening in entertainment programming "has been overwhelmingly endorsed." Despite the payola hassles in the industry, NBC "has continued to make some very significant gains," added NBC Chmn. Robert W. Sarnoff. In the NBC something-for-everybody program plans (bread-&-butter shows, specials, public affairs, sports, etc.) "you have what NBC believes to be a true network," he said.

**Computer sales:** In what Burns termed "our first full year of all-out effort in data processing," RCA is ahead of its own timetable. By year's end, sales values of lease arrangements "should exceed \$200 million." Prior to 1961, RCA plans to ship "at least \$60 million worth" of computers. He visualized the computer field as "a new industrial area which alone can double the size of RCA within the next decade." Burns said RCA has "moved beyond the starting mark in a race that can lead to the greatest profit rewards our company has ever known."

**Other sales:** Gains were made on a number of consumer sales fronts. TV receiver sales did well, with 17-in. portables scoring a 115% gain. RCA's phono, radio & record lines also had strong gains.

**Advertising:** Responding to a question from the floor, RCA Chmn. Sarnoff said RCA had spent \$31.8 million for consumer & trade advertising during 1959 (2.3 cents per sales dollar) as against \$30.6 million in 1958 (a lower amount, but equaling 2.6 cents per sales dollar).

	For quarter ended March 31: 1960	1959
Gross sales revenue ....	\$361,200,000	\$321,800,000
Net profit .....	13,000,000	12,900,000
Per common share .....	.85	.88
Common shares .....	14,344,000	13,855,000

RCA's top 1959 wage earners among board members, as noted in its proxy statement: Chmn. David Sarnoff, \$200,000; Pres. John L. Burns, \$197,917 (including a \$25,000 payment on a \$125,000 incentive award for 1959); NBC Chmn. Robert W. Sarnoff, \$162,000 (\$12,000 of \$60,000 award); RCA senior exec. vp Elmer W. Engstrom, \$143,917 (\$11,000 of \$55,000); group exec. vp Charles M. Odorizzi, \$130,917 (\$8,000 of \$40,000); exec. committee Chmn. Frank M. Folsom, \$90,307 (\$6,974 of \$35,000); vp & technical dir. Charles B. Jolliffe, \$73,458 (\$5,000 of \$25,000). Altogether, RCA directors & officers as a group received \$3,013,147, including a \$180,842 installment on a \$918,645 incentive award. Incentive award is payable in 5 annual installments.

**Reports & comments available:** General Precision Equipment, memo, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . Eitel-McCullough, review, A. M. Kidder & Co., One Wall St., N.Y. 5 . . . Magnavox, report, Hardy & Co., 30 Broad St., N.Y. 4 . . . Amphenol-Borg, discussion, Hornblower & Weeks, 40 Wall St., N.Y. 5 . . . International Resistance Co., report, Steiner, Rouse & Co., 19 Rector St., N.Y. 6 . . . Electronics Capital Corp, review, D. H. Blair & Co., 42 Broadway, N.Y. 4.

**Record Motorola Sales:** Motorola's first-quarter sales set a new record (10% above last year's similar period) and earnings increased 16% to within \$50,000 of 1953's first-quarter record. So reported Pres. Robert W. Galvin May 2 at the annual meeting, which approved a 2-for-1 stock split effective July 15 to holders June 30 (Vol. 16:7 p23).

"It continues to appear that Motorola will show an over-all growth of about 10% for 1960," Galvin said, adding that 2nd-quarter results so far indicated increased sales & earnings over the first. All divisions except military electronics improved their sales & earnings performance over first-quarter 1959, he declared.

"Especially gratifying were the outstanding gains by the semiconductor div. [and] it also appears to be another fine year for our TV, stereo & radio products. Car radio sales are ahead of last year (Motorola supplies radios to Ford, Chrysler & American Motors for their compact cars, among other makes). Communications div. sales "continue to increase steadily."

Motorola has no plans to resume color-TV production, Galvin said in answer to a stockholder question.

Stockholders approved a stock-option plan for executives. Motorola's statement for 3 months ended March 31:

	1960	1959
Sales .....	\$70,297,042	\$63,653,184
Net earnings .....	3,036,475	2,616,427
Per common share .....	1.51	1.35
Common shares .....	2,015,131	1,935,131

Admiral sales & earnings continued upward in first-quarter 1960 as volume climbed 8% and profit increased more than 7%. In the table below, the per-share earnings for both periods are based on 2,405,971 shares outstanding at the end of the 1960 quarter. For 3 months ended March 31:

	1960	1959
Sales .....	\$48,413,663	\$44,739,388
Net income .....	763,375	711,644
Per common share .....	32¢	30¢

Wells Television, TV set-leasing organization recently acquired by Tishman Realty & Construction Co., N.Y., is improving its profit picture, exec. vp Robert V. Tishman is quoted in *The Wall Street Journal*. Wells made \$800,000 before depreciation & taxes last year, and Tishman said its growth should "be steady but slow." He added that its major contribution to the parent company comes from the heavy depreciation charges it provides.

Speer Carbon Co., St. Marys, Pa. maker of electronic components for TV & radio, other products, scored record sales & earnings in 1960's first quarter. Sales rose 22%, and the company forecast record volume & earnings for the 1960 year. In the table below, the 1959 per-share earnings are adjusted to reflect a 2-for-1 stock split in July, 1959.

For the quarter ended March 31:

	1960	1959
Net sales .....	\$6,761,995	\$5,548,421
Net earnings .....	572,900	500,990
Per common share .....	64¢	56¢

Tele-Broadcasters Inc. (radios WPOP Hartford, KUDL Kansas City, KALI Pasadena-L.A., KOFY San Mateo-San Francisco) has purchased the radio-equipment-producing electronics communications div. of San Francisco-based Robert Dollar Co. for an undisclosed amount of cash & stock. Tele-Broadcasters Pres. H. Scott Killgore said the acquisition will be operated by subsidiary Tele-Communications Inc. Killgore also reported to the annual meeting last week that Tele-Broadcasters tallied first-quarter net earnings of \$14,433, compared with the net loss of \$7,979 registered in the year-ago period.

Wometco Enterprises Inc. (WTVJ Miami, WLOS-TV & WLOS Asheville, 47½% of WFGA-TV Jacksonville, Wometco theater chain, vending operation, Miami Seaquarium, etc.) reports a 17.4% increase in net income for the first 12 weeks of 1960 over the same 1959 period, on slightly higher sales. The interim report does not include the operations of the Miami Seaquarium, acquired April 12. For 12 weeks ended March 26:

	1960	1959
Gross income .....	\$2,418,950	\$2,360,268
Net income .....	200,321	170,644
Per common share .....	22¢	19¢

International Resistance Co. registered record sales & earnings in fiscal-1960's first 15 weeks as volume gained 12.8% and income rose 18.6%, Pres. Walter W. Slocum reported to the annual meeting last week. IRC also announced plans to apply for a listing on the NYSE, increased the quarterly dividend to 7½¢ from 5¢, and obtained stockholders' approval to increase the common stock to 2.5 million from the 1.5 million now authorized. "No specific transaction involving any part of the additional one million shares is now in contemplation," IRC said. In the table below, per-share earnings are based on the 1,381,098 shares outstanding on April 17. For 15 weeks ended April 17:

	1960	1959
Net sales .....	\$6,191,383	\$5,489,439
Net income .....	677,398	571,204
Per common share .....	49¢	41¢
Common shares .....	1,381,098	1,354,898

Oak Mfg. reports a decline in earnings despite a moderate sales increase in the quarter ended March 31:

	1960	1959
Sales .....	\$4,709,996	\$4,271,905
Net income .....	151,677	218,150
Per common share .....	23¢	33¢

Sonotone Corp. sales & earnings sagged in the quarter ended March 31:

	1960	1959
Net sales .....	\$5,363,135	\$5,676,733
Net income .....	175,780	222,487
Per com. share (after pfd.) .....	15¢	19¢

Transitron Electronic Corp. opened 1960 with record sales & earnings in the first 13 weeks and reported that the outlook for the current quarter "continues promising." For the 13-week period ended March 26, Transitron earned \$2,154,216 (29¢ a share on 7,502,500 shares) on sales of \$13,128,611. For 39 weeks to March 26, the net income totaled \$5,961,478 (79¢) on \$35,113,222 sales. Comparative figures for the year-ago periods are not available.

A typographical mishap wrongly rearranged the column heads on page 21 of Special Supplement #5 which you received last week. These heads can easily be corrected in ink by duplicating the heads at the top of opposite page (20). A similar error inadvertently listed as Admiral Corp's 1960 sales the \$44.7-million volume it reported for first-quarter 1959.

#### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Consol. Electronics....	Q	\$0.25	Jul. 1	Jun. 15
General Tire & Rubber.	Q	.25	May 31	May 16
Internatl. Resistance ..	Q	.07½	Jun. 1	May 16
Lear Inc. ....	—	.10	Jun. 1	May 12
Meredith Publishing ..	Q	.45	Jun. 10	May 27
Siegler .....	Q	.10	Jun. 1	May 16
Siegler .....	Stk.	4%	Jun. 29	May 16
Speer Carbon .....	Q	.17½	Jun. 15	Jun. 1
Taft Bestg. ....	Q	.10	Jun. 15	May 13
TV-Electronics Fund ..	—	.04	May 31	May 2-

## Technology

**TOSHIBA'S VTR:** U.S. TV engineers got their first "look" at the Tokyo Shibaura single-head TV tape recorder last week at the Los Angeles convention of the Society of Motion Picture & TV Engineers. Dr. Norikazu Sawazaki, head of the team which developed the "simplified" device, described its operation & principles and showed a 4-min. film of the recorder in action.

"The unique Toshiba system video tape recorder," said Dr. Sawazaki, "has caused a revolution in TV broadcasting in Japan, and—as likely as not—may influence TV broadcasting in the West tomorrow." Highlights of his paper:

The first experimental VTR-1 was completed in 1958, and commercial production began this year. The machine records the whole picture of one TV field on one long diagonal track on the tape, using a single rotating head (U.S. systems use 4 revolving heads). The tape runs in a helical loop around the head cylinder. The cylinder is divided horizontally into 2 parts, and the rotating head disc is at the gap between the 2, the head contacting the tape at the gap of the cylinder.

#### Characteristics of Toshiba System

Like U.S. TV tape recorders, the tape is driven at 15 in. per second and FM is used for video recording. These other characteristics of the Toshiba VTR were given: Recording time, 64 min. on 12½-in. reel (4,800 ft.) of 2-in. wide tape; rewind time, about 4 minutes for 4,800 ft.; video frequency response, gradual decrease from 1 mc to about 6-db down at 4 mc; video signal-to-noise ratio, 35 db; audio signal-to-noise ratio, 45 db.

Dr. Sawazaki claimed these advantages for the Toshiba over U.S. TV tape systems: (1) Few adjustments required; no special techniques needed; no problems of venetian blinds; skewing, scalloping, etc. (2) Simplified construction. (3) Drop-outs are "extremely decreased." (4) Recording conditions can be monitored from the recording head. (5) Picture can be reproduced at any tape speed—including fast-forward, slow-forward, rewind or stopped—an advantage for special effects or splicing. (6) The system "has remarkable advantages for NTSC color [because] it is unnecessary to switch the head in the middle of a picture."

Commenting on the Toshiba paper, Ampex vp Neal McNaughten, mgr. of Ampex Professional Products Co., said he is convinced TV stations & networks all over the world will continue to use the U.S. system as a "standard for the industry." He said a noncompatible system, if it is cheaper & technically acceptable, may have specialized applications in ETV & industrial TV plus supplementary uses in broadcasting. Ampex for 4 years has been investigating a system using a one-head approach and already has applied for several basis patents in this area, he added.

## Foreign

Costa Rica's first TV station, Televisora de Costa Rica, went on the air May 6 in San Jose. AB-PT holds a minority interest in the Ch. 7 outlet, which is a member of the ABC-controlled Central American TV Network. AB-PT officials who were present for the station opening and a concurrent Central American Network board meeting were Pres. Leonard H. Goldenson, financial xp Simon B. Siegel, ABC International vp Donald W. Coyle, ABC engineering vp Frank Marx, AB-PT attorney William Klein.



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## SUMMARY-INDEX OF WEEK'S NEWS

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**MILLS FCC APPOINTMENT TEETERING.** FCC appointee asks President to withdraw name. Administration lawyers study Ford idea for way out of "conflict of interest" problem (p. 4).

### Stations

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**OBSERVE CODES, KINTNER WARNS** in speech to Conn. Bcstrs. Assn. (p. 7).

**TOWER SUCCEEDS THAD BROWN** as NAB's TV vp in staff reorganization. Vincent Wasilewski & Howard Bell get new NAB titles & responsibilities (p. 7).

### Auxiliary Services

**HIGH COSTS OF PAY TV** cited in Skiatron-SEC stipulation, which estimates initial wired-system price as \$13 million (p. 3).

**SENATE FIGHT ON CATV** due as NCTA denounces Pastore regulation bill as "unworkable & unfair" (p. 9).

### Programming

**AFTRA EYES THE FUTURE** of TV. An interview with the union's natl. exec. secy., Donald F. Conaway (pp. 4 & 12).

**VIOLENT SHOWS TOP CASUALTY LIST:** They represent 20 of the 35 telefilm series to be axed—but new ones are coming (p. 5).

### Manufacturing & Distribution

**CONTROLS DUE** on Japan radio exports, as Japanese govt. suspends licenses as prelude to setting up quota system. U.S. manufacturers encouraged (p. 17).

**FIRST TV IMPORT LINE** shown by Delmonico features 17-in. portable wholesaling below \$100, transistor 8-incher due at \$199.95 list next month (pp. 17 & 19).

**THERMAL POWER** generator developed in South Africa weighs 12 lb., will be aimed soon at consumer market at about \$50; seen as answer to TV power supply dilemma there (p. 19).

**INSIDE JAPANESE ELECTRONICS:** Executive of Matsushita Electric Industrial Co. analyzes nature & future of industry in Japan (p. 21).

### Film & Tape

**DIRECTORS & PRODUCERS SIGN** new TV film & movies contract, but 17-week-old WGA strike continues as internecine fight paralyzes negotiations. SAG demands are rejected (p. 10).

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**FEDERAL AID TO ETV KILLED** by 5-5 House rules committee vote blocking \$39 million bill by Rep. Roberts (p. 5).

### Congress

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**FCC VIEWS ON NETWORK CONTROLS & STATION SALES:** FCC wants more control over networks—but through rules rather than licensing—and it generally likes the idea of closer scrutiny of station sales negotiated less than 3 years after stations are granted. That's essence of Commission's comments on HR-11340 & HR-5042, pending before Rep. Harris's (D-Ark.) Commerce Committee.

Commission told Harris Committee it wants considerable flexibility in adjusting network rules to changing times. For example, it asked that it be given authority to define networks to include film & tape suppliers if necessary. It suggested this definition: " 'Network' means a person or organization which, as a part of its regular business, by contract or agreement, express or implied, with 2 or more affiliated broadcast stations, offers or supplies program service to such stations under prescribed conditions for the purpose of effecting a coordinated broadcast of identical programs by such stations."

FCC also proposed that law be amended to show kinds of rules & regulations it might impose, including as examples: (1) Requiring networks to supervise selection of all programs they supply. (2) Prohibiting networks from giving companies they own unfair advantage by promoting their products. (3) Prohibiting networks from hampering affiliates through unfair use of exclusive affiliation, option time, influence on non-network rates, etc. (4) Limitations on number of network o&o's and number of networks anyone can own. (5) Controls over network spot representation. (6) Requirement that networks "make reasonable distribution of their programs to stations." (7) Prohibiting discrimination in affiliate selection. (8) Requiring networks to give political candidates and controversial issues equal time and "fair opportunity," respectively. (9) Requiring networks to comply with Sec. 317 on sponsor identification.

Networks should be required to file ownership reports and descriptions of their "operational policies, practices & activities," FCC suggested, proposing also that alien stockholdings be sharply limited, that network violations of law & rules be controlled through "affirmative orders" or cease & desist orders.

There's no intent to lessen station responsibility, FCC said, even though it wants to keep closer control over networks. "The strength of our broadcasting system under the Communications Act," it stated, "rests upon the responsibility and hence the freedom of the local broadcaster to program in the public interest."

Commission had little quarrel with station-trafficking provisions of Harris measure tightening up FCC machinery for license transfers. FCC said it "is in full accord with the objectives of the bill in this respect and, with few reservations, recommends its enactment."

Harris bill's rigid requirements for public hearings in transfer cases—particularly those developing within 3 years of licensing—aren't necessary and could become administratively burdensome, Commission said. "For example, take the case of a licensee who becomes physically disabled shortly after taking over control of the station." Commission agreed that required hearings should be rule rather than exception, but argued it should have discretion to take "probative evidence" in such cases, avoiding red tape & delays of field proceedings. FCC also said pro forma applications for transfers of licenses held more than 3 years should be handled in routine.

Revised language for Harris bill suggested by FCC also made restrictions on less-than-3-year transfers applicable to CPs as well as to licenses. In a mild dissent, Comr. Bartley said he's for transfer-rule changes recommended by Commission, but thought his colleagues' statement "lays too great a stress on administrative problems."

**KTVU SALE—COMPLICATIONS & DELAYS:** NBC's proposed station swaps & purchases were further complicated last week and, even if they're eventually approved, the date of approval has been pushed well into the future—perhaps for years. Here are the latest developments:

(1) Justice Dept. informed Federal Dist. Court in Philadelphia that it has no objection to NBC's series of station swaps & purchases affecting Philadelphia, Boston, Washington & San Francisco (Vol. 16:19 p10), and that the deals don't violate consent decree governing NBC's acquisition of stations (Vol. 15:39 p3).

(2) Westinghouse Bcstg. Co., whose WBZ-TV Boston is to lose NBC-TV affiliation when NBC acquires WNAC-TV, disagreed with Justice Dept., said decree is being violated, asked for permission to intervene.

(3) KRON-TV San Francisco, also due to lose NBC-TV affiliation, told court same thing—and more.

(4) Court set May 27 for argument on their petitions.

(5) Chmn. Celler (D-N.Y.) of House Judiciary Committee shot fiery wire to Justice's anti-trust chief Robert Bicks, lambasting him for not objecting to San Francisco purchase.

(6) President nominated Bicks to be Asst. Attorney General (instead of "acting," as he has been for a year), and Bicks is bound to get grilling during confirmation hearing by Senate Judiciary Committee (date not yet set).

WBC told Court that NBC had given assurance that it wouldn't try to acquire a Boston station if Westinghouse would agree to swap its KYW-TV & KYW Philadelphia for NBC's Cleveland TV-radio properties. WBC said it agreed to the Philadelphia-Cleveland deal because NBC threatened to take affiliation from KYW-TV & KYW. Then, WBC said, after the consent decree ordered NBC to sell WRCV-TV & WRCV Philadelphia (call letters changed from KYW-TV & KYW), NBC told Westinghouse it wanted to buy a station in Boston, Pittsburgh or San Francisco. WBC declined to sell any of its stations in those cities, suggested instead that WBC & NBC reverse the Philadelphia-Cleveland swap. But NBC rejected that. In brief, WBC accuses NBC of going back on its assurance that WBC's Boston NBC-TV affiliation was secure.

WBC is particularly upset because CBS intends to affiliate with WHDH-TV Boston after NBC takes over WNAC-TV, now the CBS-TV affiliate. This would leave WBC & ABC-TV to each other, something WBC doesn't relish (Vol. 16:13 p10).

WBC concludes that purpose of consent decree will be thwarted if NBC's plans go through. Decree's intent, it said, was to "terminate the alleged unlawful conspiracy of RCA & NBC to acquire TV stations in 5 of the 8 largest markets."

KRON-TV's petition to Court contained many of WBC's allegations. In addition, it repeated charges made in complaint to Justice Dept. (Vol. 16:17 p5): that NBC tried to buy KRON-TV cheaply (for \$8 million) by threatening to buy KTVU and shift NBC-TV affiliation from KRON-TV; that when KRON-TV agreed to sell at "a fair price," NBC declined to hike its offer, then bought KTVU. It charged RCA & NBC with "conspiracy" and "restraint of trade" in violation of consent decree.

Meanwhile, Philco is studying whether to try to intervene, too. Actually, of all legal maneuvers to date, Philco's application to compete with WRCV-TV's license renewal (Vol. 16:19 p10) is probably most productive of obstruction to NBC's plans. FCC must conduct a comparative hearing, which normally takes a year or more—and if Commission decides to include Philco's anti-trust allegations against RCA-NBC as issues in the hearing, the litigation could run for several years. It could even extend beyond the Dec. 31, 1962 deadline by which time consent decree says NBC must divest itself of the Philadelphia stations.

NBC's answer to all the foregoing is this: Justice Dept. described consent decree as "fair & equitable to both sides." Justice has investigated San Francisco purchase and offered no objection. No one else has legal right to get involved. NBC is "flattered" that WBC doesn't want to lose NBC affiliation. However, WBC & KRON-TV "are seeking to place their private interests above the public interests which the consent decree was designed to serve."

Rep. Celler was most unhappy with Justice Dept., telling Bicks: "I am profoundly disturbed by your failure to object . . . Your failure up to now to interpose objection makes a nullity of the decree or demonstrates that the decree is worthless." It's assumed that unless young (33) Bicks recants, old (72) Celler will fuss more, probably conduct hearings, try to get Senate to delay Bicks' confirmation.

All this is fine business for lawyers—and the galaxy is luminous (for list, see p. 7).

**SUMMER AUDIENCE HAS GROWN:** Summer viewing at home is up 8.3% since 1955, according to new A. C. Nielsen study for TvB issued as "It's the Same Faces in the Summer." "Virtually as many people view TV in summer months as in other times of the year," finds the survey. Highlights: (1) 94% of TV homes view nighttime TV in a typical March week vs. 91% in a typical August week. (2) Network TV billings for July-Sept. have increased 53% in the past 5 years. (3) Daily home hours of TV viewing are up 48.9% during this time. (4) During an average summer minute, viewing has jumped 49.1% since 1955, TvB reported.

**HIGH COSTS OF PAY TV:** Partial & conjectural answers to one big question which pay-TV promoters usually avoid—how much would it cost to get system going?—can be dug out of stipulation of facts signed April 28 by Skiatron Electronics & TV in its SEC stock-registration case (Vol. 16:18 p21).

"Initial requirement" of about \$13 million would be needed to set up wired pay-TV system projected for presumably fertile customer field—densely-populated area of 102,500, half of whom could be counted on to take service—according to SEC document. And stipulation stresses Skiatron's present inability to get that kind of money.

"Imponderables" go into any such pay-TV calculations, stipulation warns. But Skiatron's licensee (Matty Fox of Skiatron of America) is quoted as authority for estimate that grid installation costs alone for servicing 102,500-population center—not counting programming, billing system, etc.—would reach \$9,747,000 when 50% of potential subscribers take service.

Arithmetic of estimates of required investment assumes that, as grid is built, half of homes passed by it would join system—20,000 at start, increasing at 7,500-per-month rate. Operation would take "initial estimated disbursement of \$2.9 million, increasing at the rate of \$622,500 per month, or totaling \$9,747,000 to service 102,500," stipulation says.

But what if pay-TV acceptance is less than 50%? In any event, how much will subscribers be willing to pay to help promoters recoup investment? "Market surveys of both these factors have been made, but the degree to which they will reflect the realities of the situation must naturally remain in the realm of opinion," stipulation concedes.

"Given a lower rate of acceptance than the 50% assumed, costs would increase by the necessity for expanding the grid system," Fox is quoted. "At 25%, the initial cost is estimated at \$3,157,000; and at 12½%, \$3,414,000. Expansion costs per month would similarly be proportionately increased."

SEC stipulation adds this cautionary note: "However, an initial investment limited to 20,000 sub-

scribers and basing its possibilities of expansion at a reasonable rate on revenues of a contractual character, is recognized as a theoretical rather than a businesslike approach to the initiation of the system. Moreover, working capital & other capital requirements are essential, since revenues are problematical, depending upon public reaction to the system."

**MILLS APPOINTMENT TEETERING:** FCC nominee Edward K. Mills has the doggonedest luck. Last week he asked President Eisenhower to withdraw his name because of "conflict of interest" legal technicality (Vol. 16:18 p3). Three years ago he pulled out because he was offered only membership instead of chairmanship as originally intended (Vol. 13:19-20).

Administration isn't giving up, however; is striving to find method of clearing Mills. Justice Dept. had told White House that law forbids Mills's appointment because he gets income from a trust (established by his father & uncle years ago) which includes GE & Westinghouse stock—even though he has no control over trust's holdings.

FCC Chmn. Ford, eager to get Republican Mills on his team, came up with an idea to smooth out the kink, and Justice was studying it at week's end. Ford examined sections 4(b) & 4(j) of Communications Act, found an unusual difference. Sec. 4(b) says that a Commissioner shall not be "financially interested" in companies making communications equipment, but Sec. 4(j) says: "No Commissioner shall participate in any hearing or proceeding in which he has a pecuniary interest." Mulling over the apparent inconsistency, Ford concluded that Congress must have meant that a man can't serve on FCC at all if he has a "proprietary" interest in communications companies but that he can serve if he only receives "income" from investments in communications firms but has no direct ownership—provided that he abstains from voting in matters affecting companies from which he receives such income.

Of course, this would put Mills at mercy of trustees (Trust Co. of Morris County, Morristown, N.J.) who could add communications stocks to trust and restrict Mills's voting. That seems most unlikely, however, for trustees are bound by law not to fiddle with the trust. In fact, the reason they don't sell GE & Westinghouse stock is because of heavy taxes they'd incur—and their legal responsibility is the financial health of the trust, regardless of how much they'd like to do Mills a favor directly.

**AFTRA EYES THE FUTURE:** There's little likelihood that American Federation of TV & Radio Artists will seek increases in payment for live & tape TV talent on the networks this fall—but AFTRA plans to move on series of newly-developing TV fronts ranging from pay TV to multi-union status of many TV performers. So we were told last week by Donald F. Conaway, national exec. secy. of the union and one of its few paid, non-actor executives.

There will "obviously be a falling-off of income for AFTRA members in live TV this fall," Conaway admitted, since each network's fall lineup is built primarily of filmed shows. However, he doesn't see this as an excuse to hike the AFTRA price of the talent that will find live & tape jobs. Instead, he feels it's a signal for the networks to "examine carefully" the manner in which they put video tape to use, "so that it's handled as a means of storing live TV shows and not used, film-fashion, for endless, expensive re-takes."

There are enough examples of the latter method, Conaway believes, to have formed "a major factor in encouraging the heavy use of film this fall." (This problem isn't new. We've heard of several cases where budgets went through roof when TV directors suddenly discovered tape could be shot movie-fashion. A few: "The Fabulous Fifties" and "For Whom the Bell Tolls," which went over-budget by \$200,000 & \$300,000 respectively because of extensive taped re-takes & overtime scales.) For more on AFTRA, see p. 12.

**FILM'S 45 DAYS OF CRISIS:** The next 6 weeks will tell whether WGA strike will prevent TV film companies from producing shows in time for next season's start. Some scripts are available from non-Guild writers & WGA members who are working despite WGA orders, but there will not be enough to provide bulk of product for next season (Vol. 16:15 p15).

July 1 or mid-July are dates most commonly given by production executives as the point of no return—point at which they must go into production or face danger of having no product. Exception: Non-Alliance independents, who haven't been struck & have stockpiled scripts. Some say they could start as late as Sept. 1, but they are exceptional. Another exception: Desilu, whose exec. vp Martin Leeds tells us that studio could wait until as late as Aug.

Companies should now be preparing scripts for June & July production. Facing drastic shortage, some firms have executives writing scripts, are culling old telefilms as potential remakes, a practice already used by some to finish out this season. Strain is acute on 60-min. series, since they require longer preparation, particularly on scripts.

But no panic was in evidence among networks in N.Y., we learned in a 3-network checkup. NBC-TV officials were optimistic, predicting "a very early start, probably right after Labor Day" for new film series, and said, "NBC has had no verbal or written indication from producers of late delivery." ABC-TV, which will control (in sense of having bought) about 90% of its mostly-film nighttime fall schedule, told us "we expect no delays."

Sole note of caution came from CBS-TV. There, program vp Oscar Katz stated: "There's no evidence of trouble areas on new shows now, but if the writers' strike goes beyond July, we may have some delayed starts or at least small backlogs of episodes in new film shows."

Publicity-promotion problems may arise, even if most new film shows do manage to make premiere deadlines. Normally shows have to be 3 to 4 episodes ahead just to get proper routine program listings in TV magazines, newspaper TV sections and on-air promotions. A backlog of 6 to 8 episodes is needed to do minimum publicity job with photos, particularly color portraits. Narrow backlog of episodes may mean that a new show at best will be a problem for network & independent press agents. If there are shooting delays, or a star becomes ill, there will be real headaches.

**MANY VIOLENT SHOWS LEAVING BUT—:** With all returns not yet in, about 35 film series will be axed, and among these, the "violence" category will show the largest number of casualties. This rate fulfills predictions made last fall—and is par for the course over the past several years.

At least 20 of the doomed series are Westerns, private eyes or other violent themes. But it would be premature to conclude that the public is fed up with violence—there's another flock of toughies due for next fall. Moreover, the most violent of all—Desilu's "The Untouchables"—is also one of the nation's most popular shows. The most realistic conclusion would be that viewers are moved by other factors than brutality when they turn their backs on a show.

Seven 60-min. series have been cancelled, but the one-hour series will be back in full force next season. One such show—with violence—which has been axed is "Bourbon Street Beat." It will be replaced by ABC-TV and WB by another 60-min. private eye series—"Surfside 6"—with a new cast and a shift of locale from New Orleans to Miami. The other 6: "The Lineup," "5 Fingers," "Sugarfoot," "Bronco," "The Alaskans" and "Westinghouse Desilu Playhouse" (an anthology series which had many violent episodes).

Other guillotined violents: "Richard Diamond, Private Detective," "Wichita Town," "M Squad," "Tales of the Plainsman," "Philip Marlowe," "Man With a Camera," "Johnny Staccato," "The Man From Blackhawk," "The Troubleshooters," "The Texan," "Colt .45," "Tightrope," "Mr. Lucky" and "Johnny Ringo." There may be others.

Other axings: "Love and Marriage," "Fibber McGee and Molly," "The Gale Storm Show," "Men Into Space," "Alcoa-Goodyear Theater," "Fury," "Betty Hutton Show," "High Road with John Gunther," "Dennis O'Keefe Show."

Ironically, despite the heavy turnover, Hollywood producers gave a collective sigh of relief. They had expected even more changes.

**FEDERAL AID TO ETV KILLED:** Legislative proposals authorizing multi-million-dollar federal grants to states to help build educational TV stations came to the end of the Congressional road last week in 5-5 vote by House Rules Committee.

All ETV-aid bills were effectively stopped—for this session, at least—by refusal of traffic-controlling Rules Committee to permit \$39-million measure (HR-10609) by Rep. Roberts (D-Ala.) to go to floor for vote. Among half-dozen such House bills, this one had been approved in March by House Commerce Committee (Vol. 16:13 p4) as substitute for Senate-passed \$51-million measure (S-12) by Sen. Magnuson (D-Wash.).

Republican Administration opposition to idea of such direct govt. help for local ETV systems was final blow to advocates' hopes for House floor action. Rep. Avery (R-Kan.), member of Commerce Communications Subcommittee, testified against Roberts bill at Rules hearings, reporting he had letter from Health, Education & Welfare Secy. Arthur S. Flemming objecting to it.

ETV construction grants would just be starter for continuing demands by states for more & more federal money to keep stations going, Avery said. "I don't feel we are looking at this time for new federal aid programs," he told Rules Committee. "If we're going to authorize any, this probably is as meritorious as any." Testifying vainly for Roberts bill were its author and Commerce Committee Chmn. Harris (D-Ark.).

Killing tie vote came in an unrecorded show of Rules members' hands at closed session, all 4 Republicans—Reps. Allen (Ill.), Brown (O.), Reece (Tenn.), Budge (Ida.)—turning thumbs down. They were reportedly joined by Rules Chmn. Smith (D-Va.), deserting his committee's fellow Democrats on issue.

"Well, it probably would have been vetoed anyway if it got through Congress to the White House," exec. dir. Ralph Steetle of Joint Council on Educational TV told us philosophically. He said ETV proposals undoubtedly would be revived at next session.

## Stations

**NEW & UPCOMING STATIONS:** First use of a uhf translator to deliver programs to a TV station marked the May 15 debut of satellite KHJK (Ch. 13) Hilo, which is repeating KHVH-TV (Ch. 4) Honolulu ABC-TV affiliate. The stations' owner is Kaiser Hawaiian Village TV Inc. (Henry J. Kaiser), which also operates the translator, K76BB Honohina, on the east coast of Hawaii island, about 20 mi. N of Hilo. KHVH-TV programs are first picked up by satellite KMVI-TV (Ch. 12) Wailuku, Maui, which is operated by the owners of semi-weekly *Maui News*. The KMVI-TV signal is then picked up by translator K76BB, which relays via microwave to KHJK. The new Hilo outlet has a low-power RCA transmitter with superturnstile antenna on an 80-ft. wood pole near Naniloa Hotel. KHJK is sold as a bonus to KHVH-TV which has a \$400 base hour. Rep is Young.

The U.S. on-air count remains unchanged at 564 (87 uhf) because the addition of KHJK is counteracted by the deletion of KCIX-TV (Ch. 6) Nampa-Boise, Ida., which got FCC permission last week to remain off the air until July 11. Because it had planned to resume operation May 11, we didn't deduct KCIX-TV from the operating total when the station went dark last March 24.

\* \* \*

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

**WJPB-TV (Ch. 5)** Weston, W. Va. began testing May 15 according to Pres. & exec. dir. J. Patrick Beacom. May 25 is target for programming with ABC-TV, May 29 with CBS-TV, latter on an on-order basis. It has 5-kw GE transmitter, 25-kw amplifier and 510-ft. Blaw-Knox tower with 5-bay antenna at studio-transmitter site on Fisher Summit, Jane Lew, W. Va. Base hour will be \$225; Rep, Gill-Perna.

**KORN-TV (Ch. 5)** Mitchell, S.D. has 5-kw Gates transmitter on hand and hopes to begin programming soon, as an NBC-TV outlet, writes R. V. Eppel, pres.-gen. mgr. of grantee Mitchell Bcstg., which also operates radio KORN. It has RCA antenna on 500-ft. Utility tower. Base hourly rate will be \$150. Rep not chosen.

**KSOO-TV (Ch. 13)** Sioux Falls, S.D. plans July 1 start with NBC-TV writes Morton H. Henkin, pres. of grantee KSOO Inc. It has studio-transmitter building ready for 25-kw RCA transmitter which has just arrived. Stainless 1,000-ft. tower awaits installation of antenna. Base hourly rate hasn't been set. Rep not chosen.

**WPCA-TV (Ch. 17)** Philadelphia, Pa., is wiring 1-kw RCA transmitter and plans July 3 programming, reports Donald B. Crawford, station mgr. for grantee Young People's Church of the Air. RCA antenna has been installed on 581-ft. tower formerly used by radio WRCV. Calling self "World's First Christian TV Station," WPCA-TV is planned as religious-cultural-educational non-profit operation, which will charge \$270 for base half-hour. Rep not chosen.

**KCBY-TV (Ch. 11)** Coos Bay, Ore., plans Sept. start with NBC-TV programming as semi-satellite of parent KVAL-TV (Ch. 13) Eugene, Ore., reports KVAL-TV gen. mgr. S. W. McCreedy. RCA 2-kw transmitter and 6-bay antenna are on hand and it will use 200-ft. Fisher tower. Base hour will be about \$150. Rep will be Hollingbery.

**KCDA (Ch. 3)** Douglas, Ariz. is still planning on summer programming, although construction hasn't started as yet, according to Mike Ling, national sales mgr. of owner Electron Corp., which is also providing equipment for low-power outlet. It will use 100-ft. Rohn tower with Alford antenna. Base hourly rate hasn't been set, rep not chosen.

**KEYC-TV (Ch. 12)** Mankato, Minn. has 25-kw RCA transmitter scheduled for summer delivery and plans fall programming, writes Herbert R. Ohrt, exec. vp of Lee Radio Inc., 70% owner. It will use RCA traveling wave antenna on 1116-ft. Kimco tower. Network affiliation hasn't been signed. Base hour will be \$300. Rep will be Branham.

**Upsalquitch Lake, N.B.** satellite on Ch. 12 (allocated to Campbellton), planned by CKCW-TV (Ch. 2) Moncton, N.B. has a July target, reports asst. gen. mgr. Murray L. Goldsborough. RCA equipment has been ordered, and foundation is in for studio-transmitter building. Microwave towers, supplied by Micro-Tower, are scheduled to be ready in May at Rogersville & Ashton Hill for link to Moncton. Upsalquitch Lake will have a 700-ft. tower.

**CJAY-TV (Ch. 7)** Winnipeg, Man., with fall target, has 25-kw RCA transmitter scheduled for Aug. 15 delivery, reports gen. mgr. Jack M. Davidson for owner Channel 7 Television Ltd. Construction has begun on footings for 1,000-ft. Dominion Bridge tower, which will have traveling wave antenna. Reps will be Weed and Stovin-Byles Ltd.

**CFCF-TV (Ch. 12)** Montreal, Que. (call letters awaiting official approval), plans Jan. 30, 1961 start, writes R. E. Misener, broadcasting div. mgr. of owner Canadian Marconi Co. It will use two 18-kw transmitter units operating in parallel. It plans 2-story studio building and will share tower with CBC's 2 Montreal TV outlets and with upcoming French-language Ch. 10, recently granted to Paul L'Anglais & associates. R. E. Misener will be gen. mgr., with V. Dittmer as business mgr. and J. C. Douglas, dir. of engineering.

**OBSERVE CODES, KINTNER WARNS:** FTC Chmn. Earl W. Kintner, broadcasting's No. 1 scourge in govt. agencies (Vol. 16:19 p4), had this advice for TV & radio operators last week: "Pull in your belt & hang on for long-time stability. Do not be blinded by shortsighted visions of shady profits."

In a half-chiding, half-conciliatory speech to the Conn. Bcstrs. Assn. in Cheshire, the man in charge of FTC's twin campaigns against payola & deceptive commercials warned broadcasters not to try to "dismiss the entire sorry mess" of industry scandals. At the same time he praised the industry's "good-faith, massive effort to clean house."

What's most needed now by way of self-correction, Kintner said, is more devotion by broadcasters to NAB Code rules. Calling on broadcasters "to encourage the efforts of the TV Code Review Board and to work more closely with it," he told the Conn. group:

"The recent dramatic rise in the number of TV Code members indicates an increasing awareness of the benefit of Code adherence. The recent revisions of the Code, such as the memorable personal-products decision of the Board, show that the NAB is determined to prevent the Code from becoming a useless collection of archaic rules.

"Enforcement of the Code is constantly enlarging a vast body of experience that should be shared by all broadcasters. The work of the Code deserves the support of all members of the broadcasting industry, in my judgment."

Kintner reiterated a hope—which he has frequently expressed—that FTC "never will find it necessary to make any publishing medium, printed or broadcasting, party respondent in a deceptive advertising case."

"The broadcaster—that is the licensee—has the ultimate responsibility for all program & advertising material carried on his station regardless where it originates, and that includes network shows & national spots as well as local material," Kintner said.

"Self-policing by broadcasters also calls for more positive action to eliminate advertising copy that either is obviously phony or comes so close to the edge of credulity as to be not worth the risk of FTC action or the risk of offending the listening public."

In another speech last week, Kintner told Princeton U's American Whig-Clisosophic Society: "If industry fails to accept its responsibility for truthful advertising, then we can secure truth only by massive govt. control. I find this alternative appalling, because, at bottom, those businessmen who pass their moral responsibilities onto the govt. are advocating a police state."

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FTC's Earl W. Kintner will sub for TV's Wyatt Earp May 20 as a guest of CBS-TV's *Person-to-Person*. The program's staff decided that the FTC chmn. would make "a better contrast" to the show's other guests that night (Craig Peter Gunn Stevens & wife Alexis Smith) than would Hugh (*Wyatt Earp*) O'Brian, whose pre-taped interview will be used later. Kintner and his family will be seen in their Georgetown-area home.

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FTC is "exploiting every resource to check deceptive advertising but does not have & does not want the power to insure that an advertisement is in good taste," FTC Chmn. Earl Kintner told the 1960 meeting of the advertising & publishing div. of United Jewish Appeal, N.Y.

**Tower Succeeds Thad Brown:** NAB's policy committee last week named personnel & economic mgr. Charles H. Tower—a staff member since Feb. 1949—as TV vp to replace Thad H. Brown Jr., who is resigning June 17 to enter private law practice (Vol. 16:17 p13).

At the same time, the policy committee headed by Clair R. McCollough (Steinman Stations) started a re-organization of NAB's staff structure. In actions effective at once, the committee: (1) Named govt. relations mgr. Vincent T. Wasilewski to a new post of govt. affairs dir., put NAB's legal dept. in his jurisdiction and authorized addition of a govt. affairs staffer. (2) Gave the title of industry affairs dir. to Howard H. Bell, longtime joint affairs asst. to late Pres. Harold E. Fellows, and placed these depts. in his new div.: engineering, public relations, research, broadcast personnel & economics, station relations, organizational services.

New TV vp Tower is an attorney, has been head of the personnel & economics dept. since 1955, when it was the employer-employee relations dept. Before joining NAB in 1949, he worked for RCA in Camden and for 2 years was an NLRB field examiner. Tower's replacement as personnel & economic mgr. was not immediately named.

Wasilewski joined NAB's legal staff in Oct. 1949 and served as chief attorney before he became govt. relations mgr. Bell has been an NAB staffer since 1951.

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NAB "certificate of appreciation" will be awarded Reps. Landrum (D-Ga.) & Griffin (R-Mich.) for their labor-reform bill enacted last year. The award was announced after the 2 legislators spoke informally in Washington May 11 at a breakfast session of the annual conference of NAB's labor advisory committee, headed by Ward L. Quaal (WGN-TV & WGN Chicago). House minority leader Halleck (R-Ind.) also met with committee members during the 2-day meeting. Reports on broadcasters' labor problems were made by NAB personnel & economics mgr. Charles H. Tower, his asst. James H. Hulbert, William C. Fitts Jr. (CBS), Abiah (Bob) Church (Storer), Joseph Schertler (Westinghouse), Louis Gratz (Time Inc.).

Counsel involved in NBC's proposed station purchases, in addition to House counsel (see p. 2): For NBC—Cahill, Gordon, Reindel & Ohl, N.Y., and Schnader, Harrison, Segal & Lewis, Philadelphia. For Philco—Weaver & Glassie, Washington. For Westinghouse—Cravath, Swaine & Moore, N.Y., and Pepper, Hamilton & Scheetz, Philadelphia. For KRON-TV—Pepper, Hamilton & Scheetz, Philadelphia, and Weaver & Glassie and Cox, Langford, Stoddard & Cutler, both Washington. For RKO-General—Pierson, Ball & Dowd, Washington. Unusual angle: Cravath, Swaine & Moore, counsel for Westinghouse in the case, also works occasionally for CBS—and CBS is giving its Boston affiliation to WHDH-TV instead of to WBC's WBZ-TV when NBC takes over WNAC-TV.

Five applications for Edmonton's Ch. 5 have been heard by Board of Best. Governors at the first of 2 Alberta hearings. Second hearing takes place this week in Calgary where 2 applications will be heard for Ch. 4. Decisions are likely around May 24. Applicants in Edmonton are Canadian Bcstg. Corp., Northgate Bestg. Co. Ltd., Edmonton Video Ltd., Ched Ltd., and Mayfair Bestg. Co. Ltd. CBC Pres. Alphonse Ouimet said CBC network programs now carried by CFRN-TV Edmonton (Ch. 3) would be taken by CBC Edmonton station, leaving CFRN-TV to fill approx. 37 hours of programming weekly from other sources.

## Advertising

**No TV Tax, Says AFA:** The proposed 1% excise tax on TV commercials to pay for ETV was cited as a major threat "to the freedom of businessmen to tell their story through advertising," by AFA Pres. C. James Proud, before the Public Utilities Advertising Assn. convention at the Waldorf Astoria. "While advertising has fared unusually well this year on the state fronts—meanwhile taking an unmerciful beating from Washington bureaus and Congressional committees—we can expect plenty of action in the state houses in 1961," said Proud. Other "danger signs" cited by Proud are "discriminatory municipal, state and federal taxes on advertising; state or federal bureau regulations forbidding members of certain legitimate businesses or professions to advertise their services; and promulgation of Internal Revenue Service regulations to disallow certain advertising as a legitimate, tax-deductible business expense."

Continued Proud: "Advertising seeks no special license or privilege in Washington or anywhere else. We ask only to be treated as any other law-abiding citizens engaged in an honest, legal activity . . . But we must not—and will not—permit ourselves to be singled out as some sort of noisome pariahs or to become whipping boys for either a tax-hungry government or political opportunists who may use our occasional front-window indiscretions for their headline-hunting hearings."

Important circulation-building strategy among magazines is extensive use of TV-radio advertising, "a sure fast way to reach prospective subscribers," according to a recent survey conducted by *Printers' Ink*. Some specific cases cited: *Reader's Digest* has bought heavily into TV (83 markets); Curtis Publishing is spending \$550,000 annually on spot radio; *TV Guide*, a major TV spot advertiser, finds that "spots promote specific issues & articles as well as the magazine itself; *Life* uses the theme "this is the sound of life" regularly in spots on CBS & NBC; *McCall's* reported "phenomenal results" from a spot campaign on radio WTOP Wash. D.C.; *Look* is beginning to rely heavily upon broadcasting media. Magazine executives believe "this is only the beginning of ad strategy destined to become vitally important to the publication industry," stated *PI*.

Standard TV-radio rate cards are being circulated to stations by the 4A's. The new formats provide stations with "a uniform, orderly pattern in which to present their rates, mechanical requirements, terms and conditions." The cards, developed by the organization's Committee on Broadcast Media, are the first recommended uniform rate circulars developed for radio stations since NAB's 1946 recommendations and Broadcast Ad Bureau's 1950 TV forms.

"Spot TV Ad Cost Summary No. 27" was distributed to ad agencies last week by rep. firm Katz Agency Inc. It condenses costs in 234 U.S. TV markets. Market rates, listed for night & daytime spots, are broken down into 60-sec. & 20-sec. time periods and 1-time, 6-plan and 12-plan campaigns.

**Ad People:** Albert R. Whitman appointed Campbell-Mithun pres., succeeding Ray Mithun, co-founder, who will become chmn. . . . Eldon E. Fox named a BBDO vp . . . Henry L. Sparks and Warren A. Bahr named Young & Rubicam vps.

**TV's Top 100:** TvB last week posted the combined gross-time investments in both network (Vol. 16:13 p10) and national & regional spot (Vol. 16:14 p7), of television's 100 biggest spenders in 1959. The leader: Procter & Gamble with total TV spending of \$95,340,352. In the 100th spot: Jacob Ruppert, with a \$2,213,820 investment, all in spot.

Of the top hundred, 73 used both network & spot; 20 used spot only; 7 went network exclusively. Eighty-seven of the leaders were repeaters from 1958's top 100 list.

Runners-up to P&G: Lever Brothers (\$46,853,895), American Home Products (\$38,767,078), Colgate-Palmolive (\$36,358,414), General Foods (\$35,489,721). TV's top brand advertiser in 1959 was Lestoil with \$17,627,120, all invested in spot. Runners-up: Kellogg cereals (\$12,932,652), Anacin (\$12,625,422), Dristan (\$10,763,597), Kent (\$10,190,965).

Procter & Gamble continues as top network TV advertiser with Feb. gross time billings in excess of \$3.6 million, TvB reported last week. American Home Products scored second at \$2.8 million, followed by Lever Bros. (\$2.5 million). The leading brand on network TV in Feb. was Anacin with gross time billings of \$779,791. Dristan was second with \$759,380. New to TvB's list of top 15 brand advertisers in Feb. were Renault cars, Union Gas & Motor Oil and Listerine.

TV won 55.2% of the advertising expenditures of the top 5 national advertisers in measured media in 1959, reports TvB. General Motors lead the list with \$110.1 million spent in gross time & space, advancing from \$97.8 million in 1958. Procter & Gamble, TV's top spender, was second with \$105.6 million, compared to \$98.5 million in 1958. Gen. Foods, Ford and Lever Bros. rounded out the top 5.

Impact of color commercials has been measured for Crosley Bcstg. Co. by a Burke Marketing Research Inc. study. Key finding: In color-TV homes, color commercials are "about 3½ times" as effective as b&w commercials. The survey was conducted during a recent 4-week period in the Cincinnati area. About the same percentage of TV viewers in both color and non-color homes (15%) did not remember anything about commercials they had seen. But of those who could recall, twice the number remembered details of programming & commercials in color as compared with b&w viewers, Burke researchers learned. Although the Crosley outlets will increase their colorcasting, there will be "no premium on color rates until color becomes as common in TV as black & white."

Bid for New York's Spanish market is being made by Schaefer Brewing and WOR-TV (Ch. 9), which launched *Theater of the Americas*, a feature-film showcase, in prime time (Sun. 9 p.m.) May 8. In a switch on the overseas marketing of U.S. films, the first film in the WOR series was "Dona Juana la Loca," televised with a Spanish-language soundtrack—but with English titles. Schaefer has bought full sponsorship of the series which will be handled as a once-monthly event. Latest estimates place the Spanish-speaking N.Y. minority, largely Puerto Rican in origin, at about 900,000.

Summer toy-sales drive via TV is planned by Colorforms Toys "to take advantage of today's tendency toward a year-round market," stated sales mgr. Lewis Raskin. The Company will maintain its 3-per-week schedule on CBS-TV's *Captain Kangaroo*, backstopped by spot TV for the entire summer.



## Auxiliary Services

**SENATE FIGHT ON CATV:** "Complete opposition" to CATV regulation proposed in a bill (S-2653) scheduled for Senate floor action May 17 (Vol. 18:19 p15) was voiced last week by Pres. A. J. Malin of the National Community TV Assn.

"Discriminatory as this bill is, it threatens to deprive 2.5 million CATV viewers in more than 750 towns of their present varied reception & wide selectivity in fringe areas," said Malin. "NCTA wants to make it clear that this industry has always felt this bill is unworkable & unfair."

Up to the eve of Senate debate on the measure (sponsored by Chmn. Pastore (D-R.I.) of the Commerce Communications Subcommittee), NCTA had pinned hopes on softening amendments by Sen. Fulbright—and reportedly accepted by Pastore. The amendments didn't go far enough, in NCTA's view, to tone down the measure's emphasis on economic protection of existing local TV stations against CATV competition.

The Fulbright amendments called for substitution of station "signals" for "programs" in the bill's language dealing with CATV-relayed shows, thereby de-emphasizing stations' claims to economic rights in programs. The amendments also authorized FCC to waive application of the Communications Act to CATV systems in such areas as equal political time.

### Monroney to Lead Fight on Bill

Fulbright himself won't be on the floor to argue against the Pastore bill as written. He took off last week for the Middle East as Foreign Relations Committee Chmn. CATV forces in the May 17 debate—largely recruited from the West—will be led by Sen. Monroney (D-Okla.), who planned to move for recommitment of the Pastore bill to the Commerce Committee. Monroney is the sponsor of NCTA's own CATV regulation bill (S-2303) which calls simply for FCC licensing of systems "in the public interest."

Harry C. Butcher of KIVA Yuma, Ariz., and Hollis M. Seavey, consultant to Regional Broadcasters, have been in Washington mobilizing support for the Pastore measure.

In his blast against the measure, NCTA Pres. Malin said it would regulate reception rather than transmission of programs; that NCTA "cannot understand how it can be in the public interest to deprive some of the public of their multiple choice of TV signals."

Some Western Senators were incensed by NCTA's refusal to go along with the Fulbright amendments. Well aware that chances of getting House to approve the bill are very slim this session, they've drafted, but not introduced, a "sense of the Senate" resolution designed to encourage states to regulate CATV as common carriers but at the same time encouraging FCC to impose certain federal controls. Such resolutions require no House concurrence—and they frequently carry considerable weight with state govts. and federal agencies.

Sen. McGee (D-Wyo.) was most outspoken in his chagrin at NCTA. "I have been shocked & saddened," he said, "to learn that the NCTA which had delayed consideration of the bill so long in order that their amendments may be taken into account has done a complete flip-flop and now refuses to accept the bill even with its own amendments incorporated . . . It is now obvious that the aim of the NCTA is to prevent legislation during this session . . ."

**TelePrompter's Fight Angles:** Armed with N.Y. State Athletic Commission approval of its contract for TV-radio-movie rights to the June 20 Johansson-Patterson fight, TelePrompter Pres. Irving Kahn last week was busily arranging a series of deals for his sports attraction:

**CATV feeds:** Although "nothing is firm," TelePrompter may feed the bout to as many as 50 CATV systems, including its own 3. It has no idea currently what method of payment by set-owners hooked into CATV systems would be most feasible. "Possibly," TelePrompter told us, "the fight may be fed to CATV viewers for free as an experiment." Also not solved yet: availability of coaxial lines to feed the show to remote CATV locations.

**Telemeter tie-in:** Telemeter has asked TelePrompter if it would be interested in selling the bout for closed-circuitcasting to Telemeter's pay-TV homes (about 3,000) in the Toronto area. "We're negotiating," said TelePrompter. Another possibility for Toronto may be a big-screen ball-park showing of the fight in another Telemeter tie-in.

**Philco deal:** A 30-min. ABC-TV pre-fight show, scheduled for June 19 in a 10-10:30 slot, will be produced by TelePrompter under Philco sponsorship. The show will consist of clips from the June 26, 1959 Johansson-Patterson bout and interviews with the 2 heavyweights. Philco, as part of a \$250,000 package, will also pipe the June 20 closed-circuit fight to Philco dealers & distributors in U.S. cities for special by-invitation showings.

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**Free-TV competition to fight on June 20** will include the annual "Emmy" awards of the Academy of TV Arts & Sciences on NBC-TV. Last week, ATAS Pres. Walter Cronkite told TV columnist Marie Torre: "We have nothing to fear. The fights appeal largely to men, and the 'Emmies,' I should think, appeal mostly to women. Besides, we have 2 things going for us—an early knockout & the weather. It could happen that it'll rain. If it does, we probably will draw a larger audience than we might otherwise get. Think of the people who'll find themselves with nothing to do but watch TV if the fight is called off."

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CATV cable facilities may be supplied to CATV operators by the N.Y. Telephone Co. under a new tariff approved by the State Public Service Commission. Among the tariff provisions: (1) 10-year minimum contract. (2) CATV operator must make a deposit equal to the cost of the cable construction & renewal, less salvage. (3) Monthly charges to the CATV operator of \$34 per ¼ mile of aerial cable plus 60¢ per drop, plus \$20 per drop installation. The telephone company estimated cable installation would cost it \$4,230 per mile and that annual operating costs, depreciation & amortization would run \$1,228 per mile. Taking all costs into account, the PUC concluded: "The end result with relation to the cost of the property is that the telephone company nets about 4.1% for providing the service, keeping the facilities in operating condition, and bearing the risk of making any property replacements with its own funds when & if required." The tariff excludes service for the N.Y. metropolitan area, Albany, Binghamton, Buffalo, Colonie, Niagara Falls, Schenectady, Syracuse, Troy and Utica.

**Translator starts:** W8OAB Frostburg, Md. began May 8 repeating WMAL-TV Washington. K76BB Honohina, Hawaii, began May 15 repeating KMVI-TV Wailuku, Maui, a satellite of KHVH-TV Honolulu. K73AR The Dalles, Ore., began May 12 with KGW-TV Portland.

## Film & Tape

**DIRECTORS SIGN CONTRACT:** Signing of a contract between the Directors Guild of America and the Alliance of Television Film Producers and Assn. of Motion Picture Producers highlighted last week's strike & labor activities in Hollywood. But there was no easing of the 17-week-old WGA strike against TV film.

The DGA deal came as no surprise. The Guild had made it clear weeks ago it would not make an issue of foreign residuals in TV or post-1948 movie payments. The directors took a pension fund in lieu of the post-1948s (as did Screen Actors Guild) and avoided the delicate TV foreign residuals with a "favored nations" clause giving DGA foreign reruns if any other guild gets them.

In the Alliance-AMPP negotiations with SAG, the producer groups rejected SAG's principal demands, particularly for the so-called "one world concept" in foreign reruns of TV film. Counter-proposals are being weighed by SAG & though both sides are far apart, no strike's planned.

The only optimism in an otherwise gloomy week was delivered by the DGA settlement. Here's a guild-by-guild rundown of the situation, leading off with WGA, whose strike has proved the most troublesome problem confronting producers:

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**WGA:** The Guild negotiating committee told non-Alliance independents either to sign, offer counter-proposals by 10 A.M. this Mon. (16), or face a strike. They asked for 10% increase in minimums the first 2 years, 5% the second 2 years, and 2% of the foreign gross. Significant feature of these proposals was that WGA was skipping a pension demand in favor of foreign residuals. There was a varied reaction among producers we checked in this group. Some considered the demand for foreign revenue "improper," because few producers get into the black with first runs.

In terming the demand unrealistic, they said they would be willing to offer WGA 2% of the net—*i.e.*, payment after production costs have been recouped. Other executives told us they were willing to sign on any deal similar to the industry pattern ultimately achieved. While there was resistance to the foreign demands, there appeared to be a genuine effort to come up with counter-proposals for settlement. Said one executive: "The terrible part of this is that we do not have industry leadership nor men in the industry concerned about its future. There is a vacuum at the top & chaos at the bottom."

But there was even more chaos within WGA, where an internal fight was paralyzing negotiations with groups outside the non-Alliance independents. Dissidents who had failed to get the Alliance proposal accepted at the last membership meeting were campaigning to get their candidates elected to the TV-radio board at Thursday's membership meeting, in the belief that these new leaders could then discharge the present negotiating committee and name one which would accept the Alliance bid.

There was even a split within the dissident ranks, as Rod Serling left that group in favor of WGA's holdout for a percentage of foreign residuals. Serling, who had spoken in behalf of the Alliance offer and for the dissidents at the membership meeting, told us bitterly: "Many of us were blatantly used . . . The membership should hold sway. I'm not in sympathy with the dissidents. I was confused about the strike when I spoke for the Alliance offer. I don't want to get nailed to the cross for something I'm not sure

I believe in. I personally think we're awfully close to a settlement. If 2% of the foreign gross is to be the formula, my production company will pay it. It isn't going to break anybody." Serling also told us the dissidents had tried to persuade him to join them in a move to leave WGA and form another guild, but he rejected this outright.

Producers, aware of the internal fight, told us they had been assured the dissidents would win. Consequently they were awaiting this development before proceeding with negotiations. What was difficult to assess was the actual numerical strength of the dissidents. Regardless of the merits of their case, it was obvious that they had handicapped the negotiating committee's work. A heated verbal duel between the 2 factions was anticipated at the Thurs. meeting. On the outcome of this session depends the length of the strike. Opponents of the dissidents were bitterly charging that they were "circumventing the will of the membership, as expressed in the recent vote."

Meanwhile, AMPP offered a package plan to WGA for settlement of the 17-week-old strike against the major movie studios. WGA negotiators were cool to the plan, but told AMPP they would present it to a membership meeting for a vote Mon. (May 16).

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**DGA:** Highlights of the DGA pact with AMPP and the Alliance are: A pension plan based on payments by producers of an amount equal to 5% of directors' salaries on movies, with a ceiling of \$100,000 per director per picture; for TV films, payments to equal 5% of initial amount of director's salary, with a ceiling of double the initial minimum; for asst. directors, producers to contribute 5% of total salaries.

Directors will contribute to pension plan an additional 2½% in each category; to establish pension fund, producers will pay 1½% of directors' and asst. directors' salaries for period from Oct. 1, 1953, through Dec. 31, 1959, less amount which producers have contributed to present industry plan on behalf of directors & assts. This amount—about \$360,000—will be paid in 10 annual instalments.

Directors' minimums increased from \$600 to \$650 a week first 2 years of contract, to \$675 a week for remaining 2 years; minimums for first & 2nd asst. directors to be hiked 10% first 2 years, another 5% remaining 2 years.

If post-1960 movies are sold to free TV, producers will pay 2% of gross after deducting 40% for distribution (this proviso is for a 6-year-period). Directors waive claims to pre-1960 movies sold to TV. Directors agree with AMPP that pay TV is same as theatrical exhibition.

Existing structure is continued on TV film rerun payments, but joint economic study committee is to be named to study entire TV reruns subject.

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**SAG:** AMPP and the Alliance rejected SAG's demands to raise residuals structure from 140% of minimum to 200%; the "one world concept" on foreign residuals; extension of present residuals from 6th run to 8th run, with hikes in residuals for various runs.

Instead, producers made counter-proposals which were roughly comparable to the Alliance offer to WGA—the 10-5-5 format which gives actors a 10% hike in minimums the first 2 years, 5% the 2nd 2 years and a 5% pension plan. On the pension plan, SAG was offered 5% of salary, up to double minimum. Regarding SAG demands to raise minimums in various categories, producers turned them down and countered with raises, but not the kind SAG sought. For example, on rates for a single picture daily

player, SAG sought to lift the present \$80 rate to \$100, the employers offered \$88. Producers tried to present compromises for various SAG demands in minimum areas, but turned them down flatly on such issues as raises in residuals, on the ground that raising minimums automatically means more residuals for actors. Neither SAG nor the producers anticipate a strike.

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Writers Guild of America 3-year network contract, providing wage boosts & expanded fringe benefits for writers of live network shows, has been approved by WGA membership. Maximum scale for staff writers at CBS & ABC has been raised from \$182 per week to \$191 immediately, and is boosted to \$195 for the 2nd & 3rd years. In addition, writers at those networks receive extra payment when employed on commercial programs. While no provision for commercial fees has been made at NBC, the scale will rise there from \$202 weekly to \$211 immediately and \$214 for 2nd, 3rd years. Contracts retroactive to Apr. 1.

**N.Y.'s INDECISION IS HOLLYWOOD'S HEADACHE:** Despite the fact that four-fifths of prime-time network programs & time slots are locked up (Vol. 16:18 p2), the decisions yet to be made are keeping Hollywood film producers on the uneasy seat. "I've never seen a season like this," growled a Hollywood TV film production executive sourly last week, "with the networks unwilling to make their final programming decisions for next fall until each sees how the other's schedule looks." It was a lament echoed by most of his colleagues. The indecision & uncertainty have plagued production plans of virtually every Hollywood company—on top of the problems stemming from the prolonged writers' strike.

Among companies waiting for answers from networks, sponsors or agencies—or all 3—are:

Warner Bros.—whose *Room for One More* and anthology series are question marks on the ABC-TV schedule.

Four Star Television—still to obtain renewal of *Black Saddle*, and still hopeful of selling its 6-star anthology.

Screen Gems—with several pilots, and hopeful of sales on *My Sister Eileen* and *Raven*.

Twentieth-Fox TV thought it sold its pilot, *Down Home*, then lost the anticipated sponsor. It also hopes to sell another pilot, *Picture Window*.

Desilu has several pilots, is hopeful of sales, particularly on *For Men Only*, an anthology series.

Revue has a number of pilots on the market.

Paramount TV is trying to sell its pilots.

Don Fedderson Productions has still to hear from CBS-TV on whether it will continue production of *The Millionaire*. (New policy of using stars is being discussed.)

MGM-TV—its *Dr. Kildare* pilot has been off-again-on-again several times. No decision yet.

Ziv TV is hopeful of selling *Klondike*.

Warren Lewis-Don Sharpe expect sale of *3 Wishes*.

Goodson-Todman sold *The Yank* and *One Happy Family*, but has time slot problems.

Ron Com Productions awaiting word on pilots.

CBS Films has no decision on the fate of its pilot for *36 Maiden Lane*.

Network time for next fall is being locked up, and there are far more "hopefuls" available than there are time slots. About the only companies in Hollywood which know their future without a doubt are those which didn't make a sale and have no such expectation.

## NEW YORK ROUNDUP

Tapes of WNTA-TV's *Open End* program May 15, featuring Vice President Richard M. Nixon, are being offered to "more than 150 TV stations with tape facilities" as a public-service feature. The only obligation to stations requesting the program will be the costs of tape & dubbing, explained NTA o&o stations vp Ted Cott.

Ziv UA's latest syndicated advertiser survey of its own series shows tobacco, food and automotive products as leading regional spenders. Leading in these categories are American Tobacco Co., Standard Oil and Kroger Stores. The study covered the 44 top regional sponsors of 6 Ziv first-run series. In an earlier survey, food products rated first. Tobacco firms & breweries followed.

Add syndication sales: MCA TV's *Coronado 9* was sold in 8 markets last week including WNEW-TV N.Y. & WTTG-TV Washington. The Rod Cameron adventure series is now in 130 markets . . . Ziv UA's *Home Run Derby* has picked up 22 new stations, putting it in 147 markets to date . . . NTA reported last week its special 6-feature-film package is now in 66 U.S. markets.

Cal. National Productions has acquired U.S. rights to *R.C.M.P.*, 39-episode series based on files of the Royal Canadian Mounted Police and produced in Canada by Crawley Films Ltd., under contract to CBC, BBC & Crawley, McConnell Ltd.

People: Arthur Fellows has been named production exec. of Quinn Martin's newly-formed QM productions. The company will develop TV film & live programs for ABC . . . Henry S. White, program dir. Screen Gems, has been elected Academy of TV Arts & Sciences N.Y. chapter pres. . . . John G. McCarthy has been elected TV Program Export Assn. pres. . . . William H. Fineshriber Jr. was named Motion Picture Export Assn. exec., TV activities . . . Abe Mandell was appointed ITC international sales vp . . . Bertram Berman has been named producer of CBS-TV's *The Verdict Is Yours*.

## HOLLYWOOD ROUNDUP

NBC-TV's *Bonanza* resumes production May 20. It will produce 3 of its 60-min. segments in Oregon. David Dortort is producer . . . Walt Disney Studios has begun production of six 60-min. *Zorro* films. They will be seen on *Walt Disney Presents* on ABC-TV next season.

Wilbur Stark Productions has been formed by Stark for production of TV film series & specials. Stark is headquartered at Metro, where his Brad-Jacey productions films *The Brothers Brannagan* . . . Desilu Productions begins production June 20 on next season's *The Untouchables*.

Warner Bros. has named Ed Jurist producer of its *Room for One More* comedy project, which stars Andrew Duggan and Peggy McKay . . . Production of *Hennessey*, the Jackie Cooper series done by Don McGuire, resumes July 18 at General Service Studios.

People: William F. Wallace, ex-NBC, named exec. vp of International Video Tape Recording and Production Inc. . . . J. Neil Reagan, McCann-Erickson vp in Hollywood, elected pres., Radio TV, Recording & Advertising Charities.

## Programming

### More about

**AFTRA'S THINKING:** Our conversation with the union's national exec. secy., Donald F. Conaway, brought out the fact that AFTRA is closely following pay-TV developments—including the possibility that the present 3 major networks will join the pay-TV act if it develops as a threat to network revenue. "Pay TV," said Conaway, "will definitely develop to the point where it will require considerable live & tape production. It can't exist as a substitute for a movie house."

So far, any pay-TV agreements AFTRA is making are on a one-at-a-time basis, Conaway revealed, citing the planned Telemeter pay-TV casting of Jean Dalrymple's production of "The Consul," due to be fed to coin-box sets in Toronto in July and again in the fall on a "grind" (i.e., 3-times-daily) basis. AFTRA's views on its pay-TV rates, generally speaking, are that they will "never be less" than those of present commercial nighttime network shows, "including replay deals." The agreement covering "The Consul," Conaway stated, gives AFTRA: (1) Official recognition by Telemeter as the live-talent bargaining agent, (2) acknowledgement of AFTRA's jurisdiction, (3) a guarantee that if "The Consul" tapes are shown in any other medium—such as TV syndication—additional talent payment will be made under applicable AFTRA codes.

One big AFTRA goal in the pay-TV field is a slice of the box-office receipts for performers. "We are talking about a piece of the gross for those whose individual bargaining power does not normally command a participation deal—not a participation for Mary Martin or Frank Sinatra, who would get it anyway," Conaway declared. Again, no AFTRA formula has been derived, but the union's thinking is "that we'll play this by ear."

### Other AFTRA Philosophies

On other TV fronts, AFTRA has insisted on network-type scales for such syndicated-tape shows as NTA's *The Play of the Week* (although NTA originally asked for deferred compensation, and was refused). Unlike Screen Actors Guild and the Writers Guild of America, AFTRA network contracts call for residual payments to talent if tapes are syndicated overseas. The formula: Live-TV producers may buy worldwide rights (for performing talent) by paying talent 45% of applicable minimum scale. Individual areas such as Great Britain (20%) or the Far East (5%) may be cleared for partial payments.

AFTRA is still warm toward the idea of a merger with SAG to form a giant live-film talent union. "With pay TV on the horizon, closed-circuit industrial & sports shows becoming more important, network TV & tape syndication already here, it's like the advent of the talkies all over again," Conaway said. "I don't think there's any question there are many areas that cry for a merger between the 2 unions. There is nothing standing in the way of such a merger that can't be solved by joint discussion. We hope to have more merger talks with SAG in the near future."

The merger romance isn't one-sided. Last week, announcer Dwight Weist, pres. of Screen Actors Guild's N.Y. Council, also said a SAG-AFTRA merger would be a good idea. He added that what he termed the "giveaway" settlement between SAG & the major studios on foreign residuals could have been a much better deal from SAG's standpoint if the union had more strength.

**Cultural Network Urged:** A govt.-sponsored "cultural" network, similar to the BBC in England, was advocated by Screen Gems vp-exec. producer Harry Ackerman in a talk before the Hollywood Chamber of Commerce. Such a network could present all cultural, educational and public-affairs shows—taking this function & responsibility away from the commercial networks—he suggested.

He also said that this season has seen the most imitative programming pattern TV has ever suffered because "this was the year in which the advertiser attempted to play too big a role." But now "the TV advertiser is learning whither he went, and this knowledge acquired through bitter experience fortunately has resulted in positive indications that most advertisers in the future will be willing to turn production back to the producers," said Ackerman.

The executive disagreed with those who hold that control of TV production belongs to the networks. He said there is danger of the development of "network committee operations" for the acceptance or rejection of programs—and the censoring of material—over which the networks do not have any creative responsibility.

TV coverage of trials has been publicly opposed by Supreme Court Justice William O. Douglas in a speech upholding the American Bar Assn.'s Canon 35 barring cameras & microphones from courtrooms. Delivering the annual John R. Coe lecture at the U. of Colo. Law School, Boulder (in the only state which regularly permits broadcasting of trials), Douglas also was sharply critical of televised Congressional hearings. On courtroom coverage, he said: "Photographing or broadcasting of trials, in my view, imperils the fair trial of which we boast. It is not dangerous because it is new. It is dangerous because of the insidious influences which it puts to work in the administration of justice." Douglas argued that judges & prosecutors facing elections would suffer temptations to "play to the galleries" if they were on camera, that witnesses might be "intimidated" or "may exaggerate or clown or make the proceedings a vehicle for getting public attention." As for TV coverage of Congressional committee proceedings, which is forbidden by the House but not by the Senate, Douglas said a televised hearing "often becomes a trial in which the entire nation sits as a jury." Mass opinion should be permitted no part "in determining the awful decisions of guilt or innocence," he told his law school audience. NAB Freedom of Information Committee Chmn. Frank P. Fogarty (Meredith Stations) promptly took issue with Douglas. He said: "Radio & TV have long since demonstrated their ability to bring the courtroom & the cathedral to the public and still preserve the dignity & decorum which are inherent to each. The public has a right to see & hear its officials in performance of their duties."

"First colorcast in the country of a night event under normal light conditions" will be originated tonight (16) by WLWT Cincinnati with a live pickup of the Redlegs-Giants baseball game at Crosley Field. The play-by-play and pre-game festivities will be carried by WLWT, WLWD Dayton, WSAZ-TV Huntington, W. Va., and WLEX-TV Lexington, Ky. The night colorcast will use the GE-developed low-light-level image-orthicon camera tube (GL-7629) which reportedly can work successfully in 1/10 to 1/20 the light required by standard color orthicons (Vol. 15:49 p8).

KTVI St. Louis is telecasting a weekly series (Tue. 7:30 a.m.) on new concepts in mathematics, conducted by Holbrook M. MacNeille, chmn., Washington U. math dept.

## Networks

**The Rating Battle:** Competitive network ratings were being pushed hard by ABC-TV and NBC-TV last week as the fall sales season neared its close. ABC's chief pride: The 41.5 Trendex (29-city) rating & 67.7 audience share for Elvis Presley's guest shot on Frank Sinatra's May 12 Timex-sponsored special. The rating, said ABC, was "the highest-rated prime-time special since the original 'Peter Pan' telecast starring Mary Martin in March 1955." (That drew a 48 rating & a 68 share.) Among N.Y. agencies, ABC was also boosting May 1-7 Trendex figures which showed ABC out in front in audience-share levels in the 8-10:30 p.m. prime-time hours (ABC—34.3; CBS—33.9; NBC—31.8) in 29 cities. NBC, at the same time, was whooping up daytime gains, citing the first of Nielsen's national reports for April which showed NBC with a 38.3 audience share (10 a.m.-1 p.m., 2-5 p.m.) against 37.3 for CBS & 21.6 for ABC. CBS, which has stated its opposition to rating slugfests, maintained a mathematical silence.

Extra daytime hour and 3 new shows will be added to ABC-TV's programming schedule effective Oct. 10. A "Westernized" taped serial drama, *Hope Springs*, and a dramatic series based on transcripts of people undergoing group psychoanalysis, *Road to Reality*, will be slotted at 11:30-12 and 2:30-3 p.m. respectively. Reruns of *The Texan*, starring Rory Calhoun, will replace reruns of *Restless Gun* at 12-12:30 p.m. Network service will start at 11 a.m. and, with the exception of 1:30-2 p.m., will continue until 6 p.m. The network plans to augment its daytime sales force within a few weeks, according to daytime programming vp Giraud Chester. ABC-TV's daytime audience share has increased 78% since the original "Operation Daybreak" went on the air Oct. 2, 1958, according to Nielsen's national report, ABC said.

TV outran wire-service coverage in reporting voting in the W.Va. Democratic preference primary, reported NBC News vp William R. McAndrew last week. At one point, he said, "NBC reports were 30 to 45 minutes ahead of wire-service returns." The secret: In each of W.Va.'s 35 counties, NBC had a reporter during vote tabulations who immediately telephoned late results to NBC originating stations WSAZ and WSAZ-TV Charleston-Huntington.

Self-regulation is sole future for broadcasting & advertising, predicted NBC standards & practices vp James A. Stabile to the Minneapolis Ad Club. Said he: "Broadcasting will overcome its hurdles if the industry continues to serve public interest, gain impact from technical improvements, remain aware of program & ad standards."

New cycle of *Briefing Session* will be produced by the National ETV & Radio Center in partnership with NBC-TV for kinescope distribution to ETV stations starting May 22. The 13-wk. series, featuring news & commentary on such issues as the summit meeting, the coming political conventions, the cold war and Castro's Cuba, will probably be used as future telecasts by many NBC affiliates.

Complaint against NBC by Ala. Public Service Comr. Ralph A. Smith that the network "staged & directed" TV films of sit-in demonstrations by Negroes against racial segregation in Montgomery is "under study" by the Justice Dept. The protest was first sent to FCC, which turned it over to Justice. A spokesman for Attorney Gen. William P. Rogers told us that he hadn't determined whether any federal law might be involved in the alleged incidents.

## NETWORK SALES ACTIVITY

### ABC-TV

- Daytime programming, sponsorship renewals eff. fall 1960, participations.  
*General Foods (Y&R), Coty (BBDO)*
- Jeannie Carson Show, Thur. 9-9:30 p.m., eff. June 30, 1/3.  
*American Chicle (Ted Bates)*
- The Lawrence Welk Show, Sat. 9-10 p.m., eff. Sept. 1960, alt. half-hr. sponsorship.  
*Union Carbide (William Esty)*
- Lawman, Sun. 8:30-9 p.m., eff. Oct. 2, alt. half-hr. renewal.  
*R. J. Reynolds (William Esty)*
- Championship Bridge, Sun. afternoons, eff. Oct. 1960, alt. half-hr. sponsorship renewal.  
*North American Van Lines (Biddle)*
- Pre-fight special, 10-10:30 p.m., June 19 only. Full sponsorship. (Produced by TelePrompTer.)  
*Philco (BBDO)*

### CBS-TV

- Captain Kangaroo, Mon.-Sat. a.m., alt. wk. 15-min. sponsorship.  
*Arnold Schwinn (George Bond & Assoc.)*
- Rawhide, Fri. 7:30-8:30 p.m., 1/3 alt. wk. sponsorship, eff. June.  
*Van Camp Seafood (Erwin Wasey, Ruthrauff & Ryan)*
- The Twilight Zone, Fri. 10-10:30 p.m., renewal eff. fall 1960.  
*General Foods (Y&R) new sponsor.*  
*Colgate-Palmolive (McCann Erickson)*

### NBC-TV

- How Tall Is a Giant, Tue. June 14, 8:30-10 p.m., full sponsorship.  
*Procter & Gamble (Benton & Bowles)*
- Laramie, Tue. 7:30-8:30 p.m., Michael Shayne, Fri. 10-11 p.m., one-thirds eff. fall 1960.  
*Pittsburgh Plate Glass (BBDO)*
- Riverboat, Mon. 7:30-8:30 p.m., Outlaws, Thur. 7:30-8:30 p.m., participations eff. fall 1960.  
*Du Pont (BBDO)*
- The Lawless Years, Thur. 10:30-11 p.m., eff. fall 1960, participations.  
*Alberto-Culver (Wade)*
- Wrangler, Thur. 9:30-10 p.m., effective July 7 through summer, full sponsorship.  
*Ford Motor (J. Walter Thompson)*
- Ford Show, Thurs. 9:30-10 P.M. renewal eff. fall 1960.  
*Ford Motors (J. Walter Thompson)*
- Convention-election coverage, amount of participation undetermined.  
*Lipton (Young & Rubicam)*  
*Brown & Williamson (Ted Bates)*  
*B. F. Goodrich Co. & dealers (BBDO)*

ABC & NBC are slicing convention-election coverage into thirds, sixths, quarters, halves or in any size portion an advertiser will take, in homestretch efforts to sell off all or part of their multiple-hour coverage. ABC has made it possible for an advertiser to buy the conventions separately from the election with an option on the election coverage through June 15. Both networks are offering TV coverage separate from radio. Meanwhile, NBC indicated that Brown & Williamson, B. F. Goodrich and Lipton Tea have already ordered portions of the network's election coverage. "We also have several other advertisers negotiating for the remainder, and we expect a sell-out by next week," said our source. Twentieth Century Fox TV has bought a slice of ABC-TV's coverage.

Network switch in Va. takes place May 30 when WTVR Richmond joins CBS-TV, giving up ABC-TV affiliation to the former CBS-TV outlet there, WRVA-TV.

## Congress

**Payola Probe Record Closed:** Not a single post-hearing statement by any disc jockey, music firm or broadcaster named in the headlined House investigation of payola practices was filed last week to meet the deadline set for closing the voluminous record of the proceedings.

Chmn. Harris (D.-Ark.) of the Commerce Legislative Oversight Subcommittee had marked May 10 on his calendar as the cut-off date for rebuttals to or fuller explanations of testimony (Vol. 16:19 p7). The Subcommittee was then scheduled to go over the statements in closed session and decide which were admissible.

With no such screening work to do, the Subcommittee put off until at least this week its planned work sessions to draft a report on its hearings & legislative recommendations for payola bans. And the likelihood was that the payola-windup work by the Subcommittee would be further delayed toward the scheduled July adjournment of Congress. The Oversighters took on another full-time job last week when hearings for FPC on alleged *ex-parte* customs in the agency were resumed—and the FPC proceedings promised to be protracted.

Meanwhile, the Subcommittee staff was getting help from NAB & network lawyers in working up proposed language for legal prohibitions against payola. The assistance was pledged by industry witnesses who testified at legislative hearings conducted last month by the Commerce Communications Subcommittee (Vol. 16:16 p1).

FCC budget comes before Senate Appropriations Subcommittee May 17, and the Commission is expected to fight for restoration of the \$565,000 cut from its \$13.5 million budget by the House (Vol. 16:17 p3). Sen. Magnuson (D-Wash.), who is chmn. of both the Senate Commerce Committee & the Appropriations Subcommittee, has constantly upbraided FCC for not keeping closer tabs on the industry—for failing to do something earlier about payola, etc.—insisting that the Commission ask for more money if it needs it for that purpose. It's expected that FCC will oblige him & request the funds.

Sports anti-trust bill (S-3483) by Sen. Kefauver (D-Tenn.), which permits TV blackouts of professional baseball & football games (Vol. 16:19 p8), will undergo hearings by his Judiciary Anti-Trust & Monopoly Subcommittee starting May 19. Kefauver said first witnesses will include baseball Comr. Ford C. Frick, who has denounced the measure. FTC & Justice Dept. have been asked to submit statements.

Anti-defamation bill (HR-10605) by Rep. Moss (D-Cal.), requiring TV & radio stations to identify participants in "interview & discussion programs" and keep tapes of what they say (Vol. 16:9 p4), has been re-introduced. Moss said his new measure (HR-12204) was intended to correct technical errors in the original bill, that its provisions—including one-week suspension penalties against stations—were unchanged.

Less-than-revocation sanctions as recommended by FCC against TV & radio stations which violate the Communications Act or Commission rules, are authorized in a bill (S-3528) introduced by Senate Commerce Committee Chmn. Magnuson (D-Wash.). Terms of the measure—including 90-day license suspensions, \$1,000 daily forfeitures for continuing infractions, imposition of injunctions—follow language suggested by FCC (Vol. 16:17 p2).

FCC Comr. Cross sought to clarify his position on political broadcasts in a letter to Senate Commerce Committee Chmn. Magnuson (D-Wash.) last week. At the NAB convention, when asked if a station could limit a political broadcast to 5 minutes if it chose, he said: "On the adage of rushing in where angels fear to tread, I would say it is entirely within the prerogative of the broadcaster to determine what is best for his community, and if he wants to limit the time, he won't have any trouble from me." Cross was criticized for the statement during Comr. Lee's confirmation hearing (Vol. 16:18 p4). Last week, Cross wrote to the committee: "The Commission considers that carrying political broadcasts is a public-service criterion to be considered both in the license renewals & in comparative contests, and has repeatedly so held. The Commission also considers the over-all program balance of the station to be significant. The licensee therefore must make the determination as to how much time his station will devote to the various categories of programming, including political broadcasts, and be prepared to justify his actions at license-renewal time. Since I subscribe to these views, I did not want you or others on the committee to get a wrong impression from a previous partial statement of mine. Accordingly, I trust this letter and the enclosed transcript [of the NAB panel discussion] will clarify the matter."

TV-debate bill hearings this week by Senate Commerce Committee on Magnuson-Monroney proposals (S-3171) for free network time for Presidential candidates (Vol. 16:19 p8) will have this witness lineup: May 16—Adlai Stevenson, who sparked the campaign plan (Vol. 16:11 p13), GOP National Chmn. Thruston B. Morton, FCC Chmn. Ford, TV-radio dir. Jack Christie of the Democratic National Committee. May 17—CBS Inc. Pres. Frank Stanton, NBC senior exec. vp David C. Adams, Washington dir. Lawrence Speiser of the American Civil Liberties Union. May 19—ABC-TV Pres. Oliver Treyz, NAB special counsel Whitney North Seymour, Arnold Petersen of the Socialist Labor Party. Meanwhile, the House actions to require networks to give time for debates by Presidential nominees lost some of their steam. Rep. Udall (D-Ariz.) withdrew his measure (HR-11260), which corresponded to the Senate bill co-sponsored by Sens. Magnuson (D-Wash.) & Monroney (D-Okla.) and a score of other signers. Udall said NBC Chmn. Robert W. Sarnoff's proposals to schedule 6 *Meet the Press* appearances for the nominees (Vol. 16:17 p8) made legislation "superfluous."

Govt.-paid time on TV & radio for Presidential & Congressional election candidates is authorized under a campaign-expenditures "reform" bill (HR-12116) introduced by Rep. Porter (D-Ore.). Porter's bill, similar to a measure (S-2823) which the late Sen. Neuberger (D-Ore.) sponsored (Vol. 16:4 p12), would provide federal subsidies to equalize big campaign contributions. Candidates could collect half the costs of broadcast time (up to one hour on TV & 30 minutes on radio in general elections, up to 30 minutes on TV & 15 on radio in primaries).

TV "libel" of Italians by "stereotyping" them as racketeers & gangsters has been protested in a House floor speech by Rep. Lane (D-Mass.). He said misrepresentations of such characters "as being automatically Italian by name or accent" are an example—like quiz rigging—of TV's "increasing disrespect for the intelligence & pride of the American people." Lane quoted a lead editorial in *Pilot*, organ of the Catholic Archdiocese of Boston, which called on readers to write TV stations & sponsors complaining against such casting.

## The FCC

FCC's proposed allocations policy—cutting spacings to add a 2nd or 3rd station to major markets (Vol. 16:2 p1)—doesn't go far enough, according to National Telefilm Associates. In comments filed with FCC last week, it urged that the Commission shoot for 4 stations. "The principal need," said NTA, "is to develop competitive facilities & services outside of the existing networks. The policy of liberalization of rules to increase competition would be thwarted by a limitation which would confine competition to the established networks . . . Until more 4-station markets are created and an opportunity is afforded for increased competition, TV will remain under stifling control of the 3 networks . . . The modification which NTA requests in the Commission's proposal is elimination of the condition which would bar a meritorious application for a waiver of the minimum co-channel station separations in any market which happens to have as many as 3 stations."

Vhf booster decision still hangs fire at FCC, despite Comr. Lee's trip last week to Butte & environs to inspect boosters. Lee is convinced that existing boosters should be left undisturbed unless they cause interference. But he still insists that uhf translators are the answer for new service and he believes that uhf needn't cost much more than vhf. He said he inspected about 35 boosters. "You can't take service away from these people," he commented, adding with a laugh: "They'd shoot you. But this thing must be contained." He said he's impressed with the need for service in booster areas, noting that poor people living in flimsy homes & trailers have invested as much as \$400 in receiving equipment. FCC has been deadlocked 3-3 on legalizing vhf boosters, but with Comr. Bartley in Europe at an international conference (Vol. 16:19 p5), there's possibility now of a 3-2 vote giving boosters a green light.

Yakima translator operator Allied Electronics (Ch. 76) is being called on the carpet by FCC for operating without proper authority & without rebroadcast permission from KGW-TV Portland. When KGW-TV was affiliated with ABC-TV, it had given its permission. After switching to NBC-TV, KGW-TV withdrew the permission at the request of NBC, which has KIMA-TV as an affiliate in Yakima. Allied also changed equipment without FCC authorization. The Commission has informed Allied that a hearing is indicated—and is wondering whether Allied will simply switch to an unauthorized vhf operation of the type shielded from FCC wrath by Western Senators.

Division to handle complaints from the public, *et al.*, is planned for FCC's Broadcast Bureau. The Commission now handles complaints in sketchy fashion, getting quarterly reports from its Renewal & Transfer Div. and taking whatever action it considers justified. The new division would step up the tempo considerably, putting complaints on the Commission's weekly agenda for quick action. All complaints are kept confidential by the Commission unless action against licensees is taken.

Telecast of a still picture accompanied by music by educational KQED San Francisco was again approved by FCC in a waiver of the rules. The station has a program, *Portrait in Music*, featuring only the picture of a record album on video. Comrs. Ford & Craven dissented on the grounds that such use is a waste of spectrum. If Comr. Bartley had been on hand, the vote would have been tied 3-3, because he has consistently disapproved such waivers.

Latest FCC anti-plugola move is to warn stations they should be careful in handling free celebrity-interview records containing plugs for unidentified sponsors. Said the Commission: "The programs usually consist of a recorded conversation between an interviewer & a celebrity in which the interviewer or the celebrity may casually mention one or more commercial products. These records are normally furnished to stations free of charge by producers in consideration of a fee paid to the producers by public relations interests on the basis of the broadcast coverage. Generally, neither the producer's nor the supplier's names are mentioned, nor is a sponsorship identification made." Even if the records contain no plugs, FCC said, broadcasters have to identify the record donor. "If the recording does contain such 'plugs,'" the FCC said, "the announcement should indicate that the program was sponsored or the material was furnished by the party who ultimately pays the producer's fee. In both instances, the Commission's rules require that such announcements be properly logged." The Commission added that it expects broadcasters "to use more than ordinary diligence" in detecting hidden commercials & complying with the law.

FCC is cracking down on a uhf grantee on its first request for more time to build, telling KFBL (Ch. 39) Bakersfield to ask for a hearing within 30 days or suffer cancellation. After FCC had assigned Ch. 39 & Ch. 17 to the city about 1½ years ago, KFBL & KLYD-TV were granted. Each protested the other. FCC cleared up the protests as fast as it could, aiming to speed service to Bakersfield. KLYD-TV then built, but KFBL asked for more time, citing the uncertainties of the allocation situation caused by FCC's proposal to make the area all-vhf. Now FCC has declined to accept the explanation, particularly since KLYD-TV is now operating. This is the first time the Commission has become tough with a uhf CP-holder on its first request for an extension.

Reallocation of uhf Ch. 37 (608-614 mc) to the exclusive use of radio astronomy on a nationwide basis was urged last week by the U. of Ill. in a petition for rule-making filed with the FCC. The University reported that it is building a radio astronomy telescope near Danville, Ill., scooping a 600-by-400-ft. parabolic cylinder out of the earth, and that the instrument will have center frequency of 611 mc. Special rule-making, separate from FCC's over-all vhf-uhf TV allocations examination, is sought—to avoid "unusual delay." The petition notes that the only use of Ch. 37 is RCA's experimental station in Camden, to which it doesn't object. However, it also points out that there is a petition pending to move Ch. 37 from Clymer to Syracuse and that it plans to file comments in that proceeding.

First microwave link in Western Union's proposed transcontinental radio relay system, operating between Vandenberg & Sunnyvale, Cal. and scheduled for completion by Oct. 1, has been approved by FCC. Phase 1 of the \$41-million 170-site system, stretching from the West Coast to Boston, involves construction of 9 Cal. sites and operation by Oct. 8 to meet Air Force requirements.

CP for Ch. 10, Pocatello, Ida. to Sam H. Bennion is proposed in an initial decision issued by FCC examiner H. Gifford Irion. The application has been uncontested, following the dismissal by James C. Wallentine. Bennion's application originally was in competition with that of James C. Wallentine, who dropped out, dismissing his application, and leaving Bennion's application uncontested & free to be granted.

## Television Digest

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**Personals:** Hubert Federspiel elected pres., Central American TV Network; Miguel Brooks, HRTG-TV Honduras, named vp; Simon B. Siegel, AB-PT financial vp, named treas.; William Klein, AB-PT attorney, appointed secy., John H. Mitchell, ex-KGO-TV & KGO San Francisco elected gen. mgr. (Vol. 16:13 p17).

Jack Singer named N.Y. coordinator, ABC International div. . . John Pival promoted from vp to pres., WXYZ Inc. (WXYZ-TV & WXYZ Detroit) . . . John F. Patt, pres. of WJRT Flint, Mich., and WJR Radio Detroit, named chmn., Goodwill Stations; Worth Kramer promoted from exec. vp to succeed Patt as pres. . . . C. Alfred Larson named station mgr., WOW-TV Omaha . . . Robert E. Kintner, NBC pres., elected a Brand Names Foundation dir.; John B. Poor, RKO General vp, named treas.; Norman Cash, TvB pres., and Kevin B. Sweeney, RAB pres., continue as dirs.; Clay Buckhout, Time Inc. vp, elected vice chairman.

H. I. Bucher, ex-NTA, named ABC asst. gen. counsel; Theodore M. Douglas Jr., appointed Eastern sales mgr., ABC Radio; E. G. Bishoff named Central div. sales mgr.

Esther Van Wagoner Tufty, head of Tufty News service, Washington, elected American Women in Radio & TV pres. . . . Neal L. Spelce Jr., KTBC-TV & KTBC Austin, Tex., associate news editor, receives an \$8,000 CBS Foundation News & Public Affairs fellowship to Columbia U. for the 1960-61 school year.

John G. McCarthy, dir. of the U.S. Office of Economic Affairs headquartering in Paris, elected TV Program Export Assn. pres. . . . James H. Quello promoted from operations mgr. to gen. mgr., radio WJR Detroit . . . E. Roger Muir, exec. producer of children's programs, NBC-TV, named to UNESCO committee dealing with TV & film.

### Obituary

Herbert M. Bingham, 58, senior partner of Bingham, Collins, Porter & Kistler, Washington law firm, died of a heart attack May 11. He had suffered a mild attack in 1951. Born in N.Y., he spent much of his early life in Butte, Mont., attended U. of Pa. and Leland Stanford U. He came to Washington in 1933, formed the law firm in 1946. Surviving are his wife & 3 daughters.

Assn of Federal Communications Consulting Engineers elects: Robert M. Silliman, pres.; Edward F. Lorentz, vp; Jules Cohen, treas.; David L. Steel, secy. AFCC members, in their annual meeting May 9-10 at the Pompano Beach Club, Hamilton, Bermuda, discussed these major topics: FCC's new TV propagation curves; use of computers in allocations, directional antenna calculations & population analysis; proposed modernization of FM rules & standards; tall tower rule-making; FCC's proposed uhf study in N.Y.; AM processing problems; participation in international TV-radio committee work.

Frank J. Shakespeare Jr., WCBS-TV vp & gen. mgr., was named "Young Man of the Year" at the Young Men's Board of Trade banquet May 11. Shakespeare, one of 4 men honored for pursuits in the field of transportation & communications, made the first on-air delivery of editorial comment by a N.Y. TV station last March.

Meetings next week: National Educational TV & Radio Center spring meeting of station mgrs. of affiliated ETV stations (May 22-24), LaSalle Hotel, Chicago . . . National Federation of Ad Agencies annual management conference (26-31), Northernair Hotel, Three Lakes, Wis.

Wilkinson, Cragun & Barker, Washington TV-radio law firm, has moved to the new National Grange Bldg., 1616 H St. N.W., Washington 6, D. C. (National 8-4400).

New consulting firm of Charles B. Persons & Associates has opened offices at 3702 East Lake St., Minneapolis 6 (Parkway 9-8941). Its services embrace TV, AM & FM.

Harold B. Day scholarship fund is being established at Colgate U. in the name of the late ABC-TV daytime-sales vp. Funds to found it are being donated by ABC employes.

### Foreign

Sweden's TV licenses have swelled to 765,000, making that country second only to Great Britain in number of TVs per 1,000 inhabitants in Europe. The Swedish Telecommunications Board also reports that since the introduction of TV there in Sept., 1956, \$200 million has been spent for TV sets. The Swedish TV network embraces 33 transmitters & 1,440 miles of microwave links. Anticipated by year's end are 12 additional stations.

Foreign radio sets totaled 165,667,000 at the end of 1959, according to a USIA survey which noted an 8% increase—by 12,000,000 sets—during the year. The biggest radio rise was reported in Communist Eastern Europe, where receivers increased by 3,300,000 to 26,520,000. The number of sets in Communist China went up 1,500,000 to 3,500,000. Radio down-trends were noted in the United Kingdom & Japan, however. USIA ascribed declining use of sets there to the rapid growth of TV.

Ad revenue of British commercial TV last year surpassed that of all other media for the first time, reports Associated Television Ltd. TV billings climbed to \$163,430,400 in 1959, compared with \$162,821,500 invested by advertisers in national newspapers, including London evening papers. In 1956, its first complete year of operation, commercial TV attracted \$36,372,000 in ad revenues, compared with newspapers' \$117,370,000.

TV debuts in Formosa this week (20) in conjunction with the installation of Chiang Kai-shek for a third 6-year term as President of Nationalist China, reports AP. The ceremonies will be on 50 TVs for public viewing in Taipei.



# Trade Report . . . .

MAY 16, 1960

**CONTROLS DUE ON JAPAN RADIO EXPORTS:** First real ray of hope in industry's battle to dam the flood of transistor radios from Japan came this week when Japanese govt. suspended export licenses pending the establishment of quotas on shipments of radios to U.S. & Canada.

Japanese move was clearly the result of all-out campaigns by American & Canadian electronics industries—particularly through U.S. & Canadian EIA organizations—for protection of domestic industries against avalanche of low-price competition. The EIA-initiated OCDM investigation to learn whether transistor imports will hurt U.S. defense-readiness is believed to be important influence behind Japanese govt.'s decision to take its own action.

Whether coming quotas will really be meaningful or merely token controls is yet to be seen. Currently whole question is being thrashed out in negotiations between Japanese radio industry & Japanese govt. Last year nearly 4 million radios with 3 or more transistors were shipped from Japan to U.S.—or more than the total U.S. production of transistor portables (Vol. 16:15 p20). During first quarter of 1960, it's reported that more than 660,000 such sets were shipped, compared with 436,350 during the same 1959 period.

Suspension of radio export licenses may last as long as 2 months, but probably won't interfere with actual shipments during period of negotiations, since previous applications for export licenses are understood to be getting approval.

In Tokyo at time of suspension action was Donald S. Parris, veteran director of Commerce Dept.'s electronics div., currently assigned to preliminary investigation for OCDM of EIA's complaint that continued high imports may damage industrial preparedness. At press time, Parris was on his way back to U.S.

When EIA holds its annual convention this week in Chicago, one item on the agenda couldn't be more timely—a May 18 report by Parris on "the Japanese electronics industry." This should shed considerable light on export-control situation, but at week's end it wasn't known whether meeting's doors would be open to non-members of EIA's international dept. exec. committee, to which Parris is scheduled to report.

Whether the coming quotas are reasonably low or not, industry at week's end was encouraged by mere acceptance of Japanese govt. of the principle of voluntary limits on radio exports. So far as could be ascertained, there is no question now of setting quotas on such other electronic products as transistors, TV, phonos, tape recorders, tube radios.

Note: Another highlight of this week's EIA convention will be selection of president to succeed 2-term leader David R. Hull, Raytheon vp who is stepping down—and is scheduled to receive EIA's 8th Medal of Honor for "distinguished service" to electronics industry.

**FIRST TV IMPORT LINE SHOWN:** Delmonico International is dead serious about carving a substantial niche in the TV market for its new Japanese-built line (Vol. 16:14 p20). That much was evident to us last week when we attended first showing in N.Y. of forerunners of the Japan Victor-built TV & stereo line.

In TV, attention was centered on attractively-designed 8-in. self-powered transistor portable and slim 17-in. portable, although 19-in. portable and possibly color set are scheduled to follow.

The 17-in. set with 110-degree U.S.-made tube may cause bigger stir than even the transistorized receiver. Good looking, less than 12 in. deep, it will be list-priced at \$149.95, sell to dealers for less than \$100, and is scheduled to go on market late in July. Working sample we saw appeared to be beautifully constructed, had 16 tubes plus voltage doubler, performed well on built-in unipole antenna in steel building midcity. The 19-in. set, not shown, will list at \$169.95, according to Delmonico exec. vp Herbert Kabat, shipments beginning late August.

Delmonico's transistor portable may be first such import to hit U.S. market—deliveries being scheduled to start by air late next month—and importer is shooting at \$199.95 price although Kabat said there's still some doubt whether this figure can be met.

Market for the transistor TV will be "limited this year because of the price," Kabat told us. He said key promotions in possibly 4 cities—N.Y., Chicago, Los Angeles, San Francisco—will begin in time for political conventions. Delmonico hopes to tie transistor set exclusively to one quality store or chain in each city, Liberty Music Stores having been selected in N.Y. Toward year's end, however, he sees price beginning to drop out of luxury class, followed by larger-scale merchandising.

Delmonico also showed monster of a color set. Conceding this model couldn't be sold in U.S., Kabat said his company hopes to import color chassis, and perhaps cabinet, installing RCA tube here—"if we can sell it at a lower price than American-made sets." He added that he thinks there's good market for low-priced color set, but not the Goliath-sized sample shown this week.

An old hand at stereo imports (mainly from Germany), Delmonico showed Japan Victor AM-FM-stereo console (on legs), with 4 speakers and remote balance control, to list at \$129.95, but with sufficient markup to be sold by promotional stores at \$99.95. Higher priced Japanese stereo shown was marked \$299.95—and both units were characterized by U.S.-style cabinets appearing far more tastefully designed (to us, anyway) than the traditional high-gloss "borax" cabinets of European stereo.

Among other features of new Delmonico line is 8-tube AM-FM table radio (also Japan Victor) at \$29.95 list, lowest price we've seen on such a set. Delmonico plans to set up network of service & parts depots for its Japanese line, as well as assembly plant in this country, hopes for UL approval of its TVs. For more details on Delmonico line, see opposite page.

First complete 1961 American TV line will be announced this week—by Motorola, simultaneously with Eastern distributor meeting at Grossinger's Hotel, Grossinger, N.Y. Also slated this week is announcement of RCA's new color line, to be followed next week by unveiling of its black-&-white sets. Japanese-made Hitachi TV sets are scheduled to be shown this week by Sampson Co. at Parts Show in Chicago.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 6 (18th week of 1960):

	Apr. 29-May 6	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	103,432	110,499	106,359	2,106,587	1,886,943
Total radio .....	316,261	301,665	244,083	6,014,766	4,882,140
auto radio .....	110,266	97,682	111,747	2,372,848	1,898,461

Zenith dealers of Westchester county, N.Y., through distributor Zenith Radio Corp. of N.Y., have brought a 4-hour program 7 nights weekly on *N.Y. Herald Tribune's* radio WVOX New Rochelle. The unique volume buy gives 30 dealers joint sponsorship of 28 hours weekly (5-9 p.m.). Show is *The Sound to Remember*, program of big-band recordings of the 1930s & 1940s, interspersed with news, weather, traffic reports, etc.

Total U.S. radio set count stood at 156,394,000 as of the first of the year, Radio Advertising Bureau has reported. RAB's estimate for radio set sales during 1959: 18,167,000, or 59.4% higher than in 1949. Each of the country's 52 million homes has at least 3 radios, including 40,387,000 auto radios, said RAB. (The figures do not include radios out of order.)

Trav-Ler Radio, which has made no formal new-line announcement, is advertising to the trade 3 new 19-in. thin-line portable TV models with 114-degree short-neck aluminized picture tubes, hand-wired chassis—plus "phenomenally-priced 23-in. table & console models." No prices are given in the ads. The sets are now being shown in Trav-Ler's Chicago showroom, 571 W. Jackson Blvd.

Admiral has shifted hq of its commercial electronics div. from Newark to the Chicago main office. The division, headed by vp Frank J. Rogers, provides & services a complete package of hotel communications & control systems. It has installed more than 100,000 hotel TV sets since it was formed 3 years ago.

Emerson's newly-formed Emertron subsidiary (Vol. 16:16 p17) has been awarded an initial contract of more than \$1 million for the production of radar altimeter systems for the Navy A3J attack aircraft. Marketing vp George Rappaport announced that the contract had been awarded by prime contractor North American Aviation.

RCA has been cited for "good taste" in TV styling by the American Institute of Approval on the basis of its 23-in. "Bordeaux" model. James M. Toney, product planning & development vp for RCA consumer products, received the award from AIA at its luncheon recently.

State fair trade law was declared unconstitutional by the Minnesota Supreme Court. Minnesota thus became the 17th state to outlaw fair-trade acts, while 16 states have upheld their constitutionality.

**More about**

**NEW IMPORT LINES:** Delmonico International div. of Thompson-Starrett Co., which suddenly lost the top-selling Sony line earlier this year when the Tokyo manufacturer set up its own wholly-owned U.S. subsidiary, seems to have made rapid comeback with good-looking TV-stereo line by Japan Victor (see p. 18) plus merchandise of other Japanese manufacturers including Fuji Denki.

One of the lowest-priced 6-transistor pocket radios on market was introduced by Delmonico at \$19.95. This price was made possible in part by adoption of outboard pricing policy followed by U.S. manufacturers—leather case, battery & earphone extra (\$4.95). Delmonico also showed 4-speed automatic record changer—made by Japan Victor and claimed to be first automatic changer made in Japan—as part of its stereo consoles, and it will offer it separately through parts distributors and to equipment makers.

Delmonico won't drop its German-made stereo-radio units, we were told—in fact, several new models were introduced last week—and company officials denied reports that European phono imports are declining in popularity. Said exec. vp Herbert Kabat: "German stereo has made an unprecedented success in the last 5 to 6 months." EMUD and Kurting supply Delmonico's German units.

Even though Japan Victor is now supplying most of the Delmonico-branded Japanese merchandise, the same manufacturer continues its tie-up with its former agent here, Petely Sales Co. Petely showed 12 new radios and portable tape recorder (\$169.95) at last week's World Trade Fair in N.Y.—all made by Japan Victor under Petely's Hi-Delity brand.

\* \* \*

Toshiba advertising in the U.S. will total about \$430,000 during the coming season, *Sales Management* estimates in an article on merchandising of Japanese goods. The magazine says Toshiba importer Transistor World Corp. has \$65,000 earmarked for business paper advertising, \$200,000 for consumer magazines, plus \$150,000 for co-op ads. It adds that Transistor World has 400 distributors selling to 40,000-50,000 retail outlets.

■

"A great gap in our educational system"—the lack of scientific training for liberal arts students—was a major theme of a recent address by RCA engineering vp George H. Brown, speaking at Ohio State U. where his son is a 4th-year electrical engineering student. "Most college students," he said, "are not headed toward science or engineering. Typically they are enrolled in a so-called liberal arts curriculum—either at a separate college or in the college of arts & sciences of a university. Unfortunately, to most of them 'liberal arts' means all fields except science—a gross misrepresentation of the term which once was intended to include mathematics & science. Courses are needed which help such students think their way through & appreciate such great concepts as the origin & evolution of the universe and of life, the nature & behavior of energy & matter & radiation, the structure of atoms & molecules and the ways in which these & other scientific concepts & laws are discovered, evolved and tested." Brown also emphasized that the engineer "must understand not only the management of physical forces by man, but a good deal about his interaction with other men and with the institutions of society."

**THERMAL POWER FOR TV:** Direct conversion of heat to electricity is a hot subject these days, although so far nobody has even hinted that a consumer-priced electronic generator is in the works. Now from South Africa comes news of a low-priced heat-to-electricity converter, said to be due on the market there within 4 months, supplying usable amounts of power from bottled gas or oil lamps at a retail price of \$50 or less. Some observers see this type of home thermo-electric plant as the answer to a TV dilemma in Africa and other "technically backward" countries—lack of electrical power.

So much significance has been attached to the African development that it's understood RCA has signed up rights to it for all areas outside South Africa. Developed by Collectron Industries Ltd., Johannesburg (headed by H. Polliak, onetime RCA distributor for South Africa), the "Thermo" generator weighs 12 lb., with enough power (at 6 volts) to operate a phonograph. New 24-volt model is being developed, and more powerful units are due next year. According to Collectron, the Thermo unit is far more economical than batteries, and should be practical in a model with sufficient power to operate TV.

■

RCA dedicated its new RCA Bldg., 1725 K St. N. W., Washington, last week, stressing its new data-processing center for govt. & business. Some 300 attended the ceremonies, which included expressions of welcome & commendation from Senate majority leader Johnson (D-Tex.) & minority leader Dirksen (R-Ill.). RCA industrial electronic products exec. vp T. A. Smith said he now looks for "the start of a new era in which red tape is supplanted by the magnetic tape of data-processing systems." "I can think of no place in America," he said, "where the swift & accurate services of electronic data-processing equipment are more urgently needed to process the paperwork that daily staggers office workers in Washington . . . In fact, we can confidently predict that the maximum use of data processing will lead to a reduction of more than 50% in the mounting volume of paperwork that today engulfs both govt. & business in the capital." He said it costs the govt. more than \$4 billion a year to make & keep permanent records. Arthur L. Malcarney, defense electronic products exec. vp, described the growth of defense electronics, noting that govt. will spend \$4.3 billion on such equipment this year, and estimated that electronics will take about 1/3 of the Defense Dept. budget for "hardware" within 10 years. Washington vp P. B. Reed acted as master of ceremonies, noted that the new building will house all RCA Washington activities except NBC, RCA Service Co., RCA communications & RCA frequency bureau.

Broader govt. surveillance of business frauds is provided in bills (S-3530 & HR-12188) introduced by Sens. Keating (R-N.Y.) & Javits (R-N.Y.) and Rep. Lindsay (R-N.Y.). They would authorize the Attorney General to set up a special clearinghouse in the Justice Dept. for information on "injunctions, dissolutions and other civil or administrative actions involving unethical or fraudulent business practices." The records would be open to any "duly authorized official" of federal, state or local govts.

New cathode-ray tube capable of high-resolution recording at altitudes up to 70,000 ft. was announced last week by Sylvania. The new 5-in. tube achieves 6,000-line resolution with conventional focusing & deflection units.

**Stereo Field Tests:** Actual testing of the 8 FM stereo broadcast systems listed by FCC last week in its proposed rule-making (Vol. 16:19 p6) is due to begin the week of June 5, EIA exec. vp James D. Secrest announced last week. The tests will be conducted by the field-test panel of EIA's National Stereo Radio Committee (panel 5) headed by NAB engineering mgr. A. Prose Walker.

Last March, the Commission requested NSRC to complete its stereo FM field tests by July 29—same date it set last week as deadline for comments on system proposals—in the hope of establishing standards in time for stereo broadcasting to begin at year's end.

Selected as one test site—previously announced—is Westinghouse Bcstg. Co.'s KDKA-FM Pittsburgh. NSRC has tentatively selected 2 more test stations—WCRB-FM and Westinghouse's WBZ-TV, both in Boston. Transmitter & receiver manufacturers will be asked to supply equipment for the system tests, which will be evaluated by comparing a tape recording of the originally broadcast stereo program material with a tape made directly from the test receivers at various sites. Since all proposed systems are classified as "compatible," owners of conventional FM sets should be able to hear a full monaural reproduction of the test programs on their own receivers.

Supervising the tests will be A. C. Goodnow, Westinghouse Bcstg., chmn. of transmitting & receiving facilities subcommittee; W. J. Wintringham, Bell Labs, chmn of subcommittee on specifications & measurements; Ralph N. Harmon, Westinghouse Bcstg., and Daniel Recklinhausen, H. H. Scott Co. Dr. M. R. Schroeder, Bell Labs, is charged with preparing the test tape.

Tinier & tinier is the trend in components for military & commercial use—to be reflected later in consumer goods—as evidenced by these announcements this week: (1) Philco & Sylvania announced new transistor packages far smaller than previous ones. Sylvania's "Pancake" housing reduces transistor size & weight to one-tenth that of conventional ones, measurers .25-in. in diameter, .05-in. high. Philco's oval-shaped micro-miniature enclosure is .125-in. wide, .18-in. wide, .06-in. high, permits component densities on the order of one million per square foot. (2) Sylvania announced a new technique for packaging tiny components on a series of stacked wafers smaller than a postage stamp, said it will show a one-inch high short-range broadcast-band transmitter later this month as a "dynamic demonstration." (3) GE announced that its "TIMM" (thermionic integrated micro-module) circuits now under development, paired with its ceramic receiving tubes, already in production, can now offer such possibilities as a 100-tube computer the size of a cigarette pack.

Commerce Dept. has penalized Liberty Electronics Inc. for allegedly misrepresenting license applications for exports of electronic tubes in 1956 & 1957. All export privileges are denied for 2 months to the N.Y. concern, its Pres. Mendel Aviv and vp Arie Abramovich. The company & 2 executives also were placed on probation for an additional 10 months.

Aluminum TV antenna manufacture in New Zealand, where TV was introduced last year, is proposed by Dominion Light Alloys Ltd., Puriri St., New Lynn, Auckland, under a licensing arrangement with a U.S. firm. Reporting the New Zealand company's plan, the Commerce Dept.'s *Foreign Commerce Weekly* pointed out such a license would give a U.S. manufacturer an alternative means of marketing in the face of restrictive import quotas.

**Trade Personals:** Martin F. (Marty) Bennett, ex-distribution vp, is advanced to distributor & commercial relations vp in RCA realignment of its regional sales structure. Reporting to him are 3 RCA sales veterans named to new posts of staff vps: Carl V. Bradford (for eastern area), Harold A. Renholm (central), Harold R. (Hal) Maag (western). They will coordinate all RCA commercial activities within their areas . . . Jose R. Bejarano, ex-managing dir. of Brasmotor, big Brazilian automotive & appliance combine, elected pres. of RCA International Ltd. (Montreal), which will direct the recently-announced \$25 million RCA-Italian govt. project to establish an electronics manufacturing complex in southern Italy (Vol. 16:17 p15).

J. Philip Reichmann Jr., who served in the public relations dept. from 1954 to 1958, rejoins Motorola as asst. to consumer products distribution mgr. David H. Kütner . . . Everett M. Patterson resigns as pres. of Bulova Research & Development Labs to become pres. of Lionel Corp.'s new industrial electronics div. . . John H. Fooks named engineering mgr., Westinghouse TV-radio div., succeeding N. J. Kornetz, resigned . . . A. C. Werner Jr. named general sales mgr., Hoffman semiconductor div.; Jan Black appointed transistor product marketing mgr. . . Edward T. Clare, ex-Convair, named marketing vp, Kin Tel div., Cohu Electronics (closed-circuit TV, etc.) . . . William H. Wright, ex-mfg. mgr. of RCA semiconductor plant in Somerville, N.J., named plant mgr. of new transistor & rectifier facility being constructed in Mountaintop, Pa.

Kenneth W. Shearer, ex-chief accountant, named controller, P. R. Mallory & Co. . . . Oden F. Jester appointed gen. sales mgr., Merit Coil & Transformer . . . James L. von Harz, ex-mfg. vp, named operations exec. vp, Oak Mfg. Co.; David H. Rosendahl promoted to dir. of plant operations . . . Ira Molay promoted to product mgr., audio components, CBS Electronics . . . Don Kirkendall promoted to ad mgr., Electro-Voice . . . Edward Shafer, ex-market research mgr., named mgr. of Blonder-Tongue's consumer products div.; Joseph Gibbs promoted from asst. sales mgr. to mgr., industrial products div. . . Russell E. Cramer Jr. named pres., Radio Condenser Co. Ltd., Toronto, succeeding Russell E. Cramer Sr., who continues as dir. The new pres. is also operations vp-secy., Radio Condenser Co. (U.S.) . . . J. F. (Jack) O'Brien promoted from RCA Northeastern regional mgr. to mktg. vp, RCA Victor Distributing Corp.

Brazil has awarded RCA group exec. vp W. Walter (Wally) Watts the Cruzeiro do Sol (Order of the Southern Cross) for completing a cross-country microwave telecommunications system in time for the dedication of the new capital city of Brasilia. "It really was a race against time for our engineers & the Brazilian crews on the job," Watts explained. "They got a late start, through no fault of their own, and they were faced with the task of getting 26 microwave relay stations constructed—some of them deep in the jungle—to carry 120 telephone-telegraph channels over the 820 miles between Rio & Brasilia. And the system had to be working by April 21. . . . We put the system into service the night before the ceremonies."

EIA's new *Electronics Industry Fact Book*, expanded to 63 pages, contains a wealth of statistical & descriptive data on all phases of the electronics industry. A new section outlines important historical, technological & market developments in the history of the industry. Copies are available at 75¢ each from EIA, 1721 De Sales St. N.W., Washington 6.

**INSIDE JAPANESE ELECTRONICS:** A Japanese eye-view of Nippon's burgeoning electronics industry was projected for the recent Chicago gathering of IRE's professional group on engineering management by Dr. Osamu Mabuchi. He is deputy chief of the central labs of Osaka-based Matsushita Electric Industrial Co. and exec. vp of its U.S. sales wing Matsushita Electric Corp. of America. Dr. Mabuchi indicated clearly that when it comes to labor, engineering and production problems, the grass is no greener in Japan.

The Japanese are a research-conscious people, he stressed, but are handicapped by their lack of experience in engineering management. "In other words," he added, "they are not adept to capitalizing on new concepts & developments. How about the production techniques in Japan? This is also a very weak area. Japanese industry, in the old tradition, usually depends upon their hard-working, loyal and skilled labor." However, significant change is evident. "Mechanization & automation are now becoming increasingly popular. Some electronic tube & semiconductor factories are even more mechanized & automated than many comparable American factories."

Dr. Mabuchi emphasized that the abundance of cheap labor in Japan doesn't necessarily produce low production costs. "The ratio of skilled labor wages between American & Japanese workers is about 10 to 1," he said. "Yet, the most complicated & expensive die made in the U.S. costs only about 3 times more than in Japan. A simple punching die costs less in America than in Japan." He explained that Japan's production costs are kited by "the lack of capable production engineering & the very heavy overhead of Japanese industry." Labor costs are also on the rise, he added.

Illustrative of Japan's progress in electronics, here are the 1959 production figures of Matsushita Electric as quoted by Dr. Mabuchi: 780,000 TV sets (or 27% of Japan's total 2,900,025); 2,160,000 radios (21% of 10,350,664); 24,000,000 transistors (28% of 84,700,583); 30,000,000 radio tubes (11½% of 200,000,000). The varied production, he noted, also points up "a characteristic difference in the electronics industry in Japan. The large Japanese manufacturers of electronic consumer products have also embraced the manufacture & sale of specific electronic components. Thus, special electronic component manufacturers are relatively few in number and small in size."

Commenting on Japan's competition for foreign markets, Dr. Mabuchi said: "I personally have no fear of a Japanese-goods invasion of the U.S. electronics market. The flood of Japanese transistor radios into the U.S. unfortunately occurred because U.S. manufacturers of these items did not have competitive & comparable products during the initial years when Japan started to enter this market. Japanese manufacturers did much of the pioneering work in the pocket-size transistor radio and helped create the public demand for this merchandise."

He also emphasized Japanese imports of American products and "the many dollars coming to the U.S. from Japan for patent licenses, "know-how" and technical-assistance agreement fees. This amounted to over \$70 million in 1959. I believe the 2-way street of international trade now has nearly equal American-Japanese traffic."

Price reductions in Sears Roebuck's "Summer Sales Book:" 17-in. portable TV, cut from \$149.95 to \$129.95; transistor clock radio from \$54.95 to \$34.95.

## Finance

**Capital Cities Booms:** Acquisition-minded Capital Cities Bcstg. Corp. (WTEN & radio WROW Albany with satellite WCDC Adams, Mass.; WTVD Durham, N.C.; WPRO-TV & WPRO Providence) racked up sizable 1959-over-1958 sales & profit gains and kept climbing through 1960's first quarter, Pres. Frank M. Smith informed the annual meeting. Revenues in 1959 and in 1960's first quarter were more than double those of the same year-earlier periods. The profit in the 1960 quarter was more than 2½ times ahead of the year-ago net.

Capital Cities is growth conscious and "is actively engaged in studying possible acquisitions of suitable broadcast properties both in radio & TV," Smith said. "This fact is well known throughout the industry and [Capital Cities] will continue to research all opportunities for such acquisitions that may be available."

The corporation's 1959 financial statement showed a cash position of \$506,076, up from \$172,944 at the end of 1958. Total assets (less current liabilities) climbed to \$10,020,067 from \$2,923,023. Property, plant and equipment, listed at cost, totaled \$6,244,760. The statement also provided a financial breakdown of the purchase April 16, 1959 of WPRO-TV & WPRO (Vol. 15:11 p5). The aggregate purchase price of \$6.5 million applied \$2,871,002 to properties; \$410,273 to film-rental contract rights, inventories; \$3,218,725 to network affiliation contracts.

For the year ended Dec. 31 (1959 table includes operations of WPRO-TV & WPRO):

	1959	1958
Bcstg. income .....	\$6,067,424	\$2,880,003
Net income .....	380,545	314,050
Per common share .....	33¢	27¢
Common shares .....	1,149,798	1,149,798

For the quarter ended March 31 (Operations of WPRO-TV & WPRO are reflected only in the 1960 table):

	1960	1959
Bcstg. income .....	\$1,798,163	\$714,348
Net income .....	205,916	76,940
Per common share .....	18¢	7¢

Metropolitan Bcstg. Corp. reports net income of \$150,000 (9¢ a share) on a gross of \$6,936,936 for 3 months ended March 31. The company said major acquisitions in the first quarter and the issuance of 150,000 additional shares make year-ago comparisons "pointless." Stockholders voted last week to increase the ceiling on stock options to 120,000 from 100,000 shares.

NAFI Corp., automotive & carpeting firm which owns KPTV Portland, KCOP Los Angeles and is purchasing radio KXYZ Houston, reports increased earnings on lower net sales for the first quarter. These figures for 3 months ended March 31 do not include earnings of Chris-Craft Corp., which was acquired last month:

	1960	1959
Net sales .....	\$6,210,385	\$6,462,420
Net income .....	262,413	195,450
Per common share .....	25¢	20¢
Common shares .....	1,029,155	987,655

Times-Mirror Co. (KTTV Los Angeles, *Los Angeles Times*, *Los Angeles Mirror*) received stockholder approval last week to increase the authorized common stock to 5,907,000 shares from 4,407,000 and to create a new issue of preferred—100,000 shares of \$100 par value (Vol. 16:17).

Pentron Electronics Corp. has been admitted to trading on the American Stock Exchange. Symbol: PEN.

**3M Starts Fast:** The Minnesota Mining & Mfg. Co. got off to a record first quarter by piling up earnings of \$16.2 million on sales of \$128.7 million, Pres. Herbert P. Buetow informed the annual meeting last week. Exec. vp Joseph C. Duke compounded the healthy report with a forecast that 1960's total sales would climb 6-10% above 1959's \$500.7-million level.

The stockholders responded by approving a 3-for-1 stock split which is expected to become effective this week (20). The approval will increase the number of authorized shares to 75 million from 25 million. The 3M board promptly voted an increase in the annual dividend on the old shares, to \$1.80 from \$1.60.

The recent acquisition of Mutual Bcstg. System by 3M (Vol. 16:17 p8) was described by Buetow as both a profit and a public-service venture. "Our directors have felt for some time that we should direct some of our energies & resources to strengthen the free enterprise system under which we have grown & prospered," he told the stockholders. "Mutual in our opinion provides such an opportunity. Its highly-regarded news & public-affairs program service is a vital part of our nation's free press & communications system. We will provide a reputation for financial stability and the freedom to allow Mutual to continue its service." He also emphasized 3M's faith that MBS will return a profit to the company. Buetow pooh-pooed speculation that 3M acquired MBS as a promotion medium for its own products, adding: "Our latest major advertising contract, in fact, has been signed by our Thermo-Fax sales people with NBC." The contract is for co-sponsorship of NBC-TV's June 18 telecast of golf's National Open.

Other highlights of the meeting: Demonstration by CBS Labs Pres. Peter C. Goldmark of the 3M-CBS Labs tape-cartridge system (Vol. 16:13 p18); announcement of a \$50-million expansion program involving construction of new plants in N.J., W.Va., S.C., Ala., Italy, Spain and Japan, and enlargement of facilities in Minn. & Ind.

In the table below, the 1959 figures are adjusted to include the performances of all foreign subsidiaries. Consolidated report for the 3 months ended March 31:

	1960	1959
Net sales .....	\$128,669,218	\$115,172,320
Net income .....	16,217,911	13,956,520
Per common share .....	95¢	82¢
Common shares .....	17,007,273	16,948,902

Skiatron Electronics & TV stock distribution by Re, Re & Sagarese, American Stock Exchange specialist firm, has been cited by SEC in charges that the company violated federal securities law. In the first such action taken against an exchange specialist, SEC started proceedings to determine whether the broker-dealer registration of the firm and Gerard A. Re & his son Gerard F. Re should be revoked. SEC alleged that unregistered stock issued by Skiatron, which also has SEC troubles (Vol. 16:18 p21), was part of \$6 million worth of securities illegally distributed by Re, Re & Sagarese.

Decca Records rolled up a tenfold profit gain in first-quarter 1960, compared with the year-ago quarter. The consolidated report includes the operations of subsidiary Universal Pictures and reflects domestic rentals of \$8 million from 2 movies ("Operation Petticoat," \$5,100,000 and "Pillow Talk," \$2,800,000). For the quarter ended March 31:

	1960	1959
Net income .....	\$1,989,775	\$197,560
Per common share .....	1.54	13¢
Common shares .....	1,285,701	1,527,401

Paramount Pictures anticipates a "good" 1960 although the first-quarter operating profit "probably" will run slightly behind the year-ago level, Pres. Barney Balaban reported in a *Wall St. Journal* interview last week. He attributed the profit sag to the now-ended 33-day SAG strike. Commenting on Paramount's expanding pay-TV activities, Balaban said: "We are signing people up faster than we can install the boxes [in Etobicoke] . . . I do believe we'll be in operation in the U.S. within a year." The article noted the film concern's increasing take from TV films: "Paramount will likely report a special income of about \$5 million this year as part of the payment from the sale in 1958 of the company's pre-1948 movies for showing on TV. No income from this source was received last year. Thus far the company has received \$10 million as an initial advance from the pre-1948 film sale. It is assured of at least \$29 million and the total may go as high as \$40 million, depending on the amount of revenue the purchaser receives from TV stations."

CBS Inc. last week filled in the figures showing a dip in consolidated net income for the first quarter of 1960—as already reported by Pres. Frank Stanton (Vol. 16:17 p20)—which turns out to be a little less than 3% below the first-quarter 1959 figure. Net sales for the quarter were up about 9%. Chmn. William S. Paley said the profit decline resulted "primarily from the cost of an unusual & intensive campaign by the Columbia Record Club to secure new members." He said that as a result of the campaign, membership in this "world's largest record club" is at a record high. For 3 months ended April 2 (net income per share based on average shares outstanding during the period, adjusted for 1959 stock dividend):

	1960	1959
Net sales .....	\$121,077,728	\$111,052,290
Net income .....	6,829,367	7,032,686
Per common share .....	81¢	84¢

Crowell-Collier Publishing Co. (radios KFWB Los Angeles, KDWB Minneapolis-St. Paul, KEWB San Francisco-Oakland) plans to increase its present holdings of 129,000 (39%) of Macmillan Co.'s 337,562 outstanding common shares, but no merger of the publishing giants is in the offing. In a joint statement last week, Crowell-Collier Chmn. Wilton D. Cole & Macmillan Pres. Bruce Y. Brett gave the boot to trade rumors of a consolidation.

Allied Artists Pictures Corp. is inviting tenders for redemption of a maximum of 10,000 shares of 5½% convertible preferred stock at \$10.50 a share. The offer is through Emanuel, Deetjen & Co., and expires next week (23). If more than 10,000 shares are tendered, Allied Artists may use its discretion to redeem any or all of the additional shares.

MCA posted record earnings in the first quarter ended March 31 as the net soared some 40% above the year-ago level, Chmn. Jules C. Stein reported. Net earnings climbed to \$1,654,354 (41¢ a share) from \$1,165,078 (29¢) in the same 1959 quarter. The per-share earnings are after allowing for preferred dividends and are based on 3,995,735 shares of common outstanding on March 31.

Filmways Inc. reports a net income of \$116,443 (24¢ a share on 487,136 shares) on revenues of \$3,035,422 for the 6 months ended Feb. 29. The net includes a special credit of \$36,000; per-share earnings include 7¢ a share from special credit. Comparative year-ago figures not available. Cohn, now chmn., is expected to be elected pres.

**Officers-&Directors** stock transactions as reported to SEC for April:

Allied Artists. Roger W. Hurlock sold 300, held 19,300.  
 Ampex. T. Kevin Mallen sold 3,990, held 55,500. Henry A. McMicking sold 10,000, held 67,235. Joseph R. McMicking sold 195,000 from trust in private transaction, held none in trust, 450,000 personally. Walter T. Selsted bought 1,500, held 2,625.  
 Amphenol-Borg. J. Frank Leach sold 150, held 850. William H. Rous exercised option to buy 200, held 1,000.  
 Belock Instrument. Donald C. Walton sold 600, held 19,571.  
 Cinerama. Sam Boverman bought 1,000, held 2,000. Hazard E. Reeves sold 12,500 and 5,000 more for sons, held 133,173 personally, 250 for sons in whose shares he disclaimed beneficial ownership.  
 Collins Radio. Robert T. Cox acquired 279 through exchange, sold 1,600, held 2,042. L. M. Schoon exercised option to buy 260, held 520.  
 Consolidated Electronics Industries. John Bentia exercised option to buy 6,250, held 10,000. E. A. Diemand excd. option to buy 125, held 125. Desilu Productions. George Murphy sold 1,000, held none.  
 Emerson. Harold Goldberg bought 200, held 1,753. Harvey Tullo exercised option to buy 1,303, held 8,487.  
 Gabriel. Royal Firman Jr. bought 200, held 1,600.  
 General Dynamics. Vernon M. Welsh sold 1,000, held 8,000.  
 GE. George L. Irvine exercised option to buy 1,512, held 6,395. Gerald L. Phillippe sold 1,185, held 7,427 personally, 750 as custodian. Charles K. Rieger sold 1,166, held 5,825. Harold E. Strang sold 400, held 7,450. Arthur F. Vinson sold 1,134, held 10,731 personally, 465 as custodian. Glenn B. Warren sold 1,000, held 9,331.  
 General Precision Equipment. Edwin A. Link sold 2,000, held 36,811.  
 Herold Radio & Electronics. Morris J. Steelman sold 400, held 82,546.  
 Hoffman Electronics. C. E. Underwood sold 1,600, held 8,400.  
 International Resistance. Walter W. Slocum bought 200, held 300.  
 ITT. Louis T. Rader bought 100, held 100. Paul F. Swantee sold 1,300 (600 listed in amended Dec. 1959 report), held 3,546. C. Douglas Webb sold 600, held 3,599.  
 Lear. Harold C. Andrus received 134 as bonus, held 1,357. Roy J. Benecchi received 177 as bonus, held 2,166. Albus Durham received 157 as bonus, held 1,122. Philip E. Golde received 223 as bonus, held 4,327. T. K. Greenlee received 107 as bonus, held 2,006. Andrew F. Haiduck received 194 as bonus, held 194. William P. Lear bought 22,800, received 493 as bonus, held 446,060. Richard M. Mock received 277 as bonus, held 11,310. J. M. Walsh received 100 bonus, sold 523, held 100.  
 Litton Industries. Glen McDaniel sold 1,000, held 18,000.  
 P. R. Mallory. M. E. Hamilton excd. option to buy 1,169, held 1,730.  
 Microwave Associates. Julian Pathe sold 2,100, held 8,200.  
 Minnesota Mining & Mfg. William L. McKnight sold 3,000, held 924,824. Louis F. Weyand sold 300, held 75,425.  
 National Telefilm Associates. H. I. Bucher exercised option to buy 250, held 250.  
 National Video Corp. & Rico Electronics Inc. Asher J. Cole bought 100, held 100.  
 Philco. Joseph H. Gillies sold 800, held 5,402. Robert F. Herr sold 1,000, held 23,953. L. J. Woods sold 733 Jan. 1959-Feb. 1960, held 6,077.  
 Polarad Electronics. Lawrence J. Lieberman sold 5,000 for wife, held 39,946 for wife, none personally.  
 RCA. Kenneth W. Bilby exercised option to buy 400, held 1,323. Douglas Y. Smith exercised option to buy 1,100, held 1,430. David A. Thomas exercised option to buy 1,200, held 1,245.  
 Raytheon. Ivan A. Getting exercised option to buy 980, held 6,374. Richard E. Krafve bought 1,000, held 2,050.  
 Reeves Soundcraft. Milton F. Untermyer sold 200, held 300. Henry S. Woodbridge sold 500, held 200.  
 Siegler. Philip S. Fogg sold 359, held 22,000.  
 Texas Instruments. Patrick E. Haggerty sold 900 in private transaction, held 121,075. S. T. Harris sold 2,200, held 20,020 personally, 1,017 in trusts. J. E. Jonsson sold 5,000 in private transaction, held 374,132. E. McDermott sold 5,000 in private transaction, held 296,328.  
 Thompson Ramo Wooldridge. Irwin A. Binder sold 400, held 2,000. Horace A. Shepard bought 1,000, held 5,400. J. D. Wright bought 500, held 10,838 personally, 3,500 for wife.  
 Trans Lux. Harry Brandt bought 600 for Pamela Amusement Co. and 900 more for foundations, held 1,000 in Pamela Amusement Co., 35,280 in foundations, 160,900 personally, 17,000 for wife, 100 in Barvic Theatres Corp., 2,000 in Brapick Inc., 100 in Marathon Pictures, 400 in Bilpam Corp.  
 20th Century-Fox. J. D. Codd sold 1,550, held 300.  
 United Artists. Robert S. Benjamin bought 400, held 1,406.  
 Varian Associates. Francis P. Farquhar sold 500, held 12,380 personally, 1,640 as trustee. H. Myrl Stearns sold 168, held 28,848 personally, 3,800 as trustee, 20 in joint tenancy. Sigurd F. Varian sold 900 from community property, held 80,348 in comm. prop., 8 personally.  
 Warner Bros. Wolfe Cohen exercised option to buy 5,000, held 5,000. Herman Starr exercised option to buy 7,500, held 7,500.  
 Weatinghouse. Mark W. Cresap Jr. sold 400, held 6,460. Tomlinson Fort sold 1,400, held 2,658. W. Watts Smith exercised option to buy 1,900, held 1,930 personally, 1,600 jointly with wife.

Indiana General directors have voted a 2-for-1 stock split, to be issued June 10 to stockholders of record May 23. They have also approved a quarterly dividend of 30¢, payable June 10 to stockholders of record May 20. Board also directed Indiana General to apply for NYSE listing.

ITT registered a 7.5% increase in both sales & profits in 1960's first quarter, stockholders were notified at the annual meeting. Pres. Harold S. Geneen reported that the backlog of unfilled orders at the quarter's end totaled \$565 million—down from \$571 million on March 31, 1959, but ahead of the \$551 million reported at the close of 1959. Geneen said U.S. & Canadian sales account for 40% of ITT's volume. Queried by a stockholder about speculation that ITT plans to merge with GT&E, Geneen said there is no possibility. In the table below, the 1959 net income is before a special credit of \$923,000 (7¢ a share) which resulted from sale of ITT's hq building in N.Y. and a currency devaluation in Spain. For the quarter ended March 31:

	1960	1959
Sales & revenue .....	\$183,956,000	\$170,985,000
Net income .....	5,871,000	5,464,000
Per common share .....	38¢	36¢

Bendix Aviation, which will be renamed Bendix Corp. June 1 to reflect its major activities in the electronics, missiles, and automotive fields, tallied strong sales & profit gains in fiscal 1960's first 6 months ended March 31 (1959's shares & earnings-per are adjusted to reflect a 5% stock dividend):

	1960	1959
Net sales .....	\$399,036,702	\$323,490,430
Net income .....	11,676,693	10,926,801
Per common share .....	2.18	2.04
Common shares .....	5,366,624	5,345,836

For the quarter ended March 31:

Net sales .....	\$201,545,865	\$168,996,402
Net income .....	5,923,110	5,768,937
Per common share .....	1.10	1.08

General Dynamics Corp., which includes Stromberg-Carlson among its many divisions, reports a decline in net income despite a healthy sales gain in the quarter ended March 31:

	1960	1959
Net sales .....	\$473,368,568	\$351,677,525
Net income .....	6,164,175	7,182,925
Per common share .....	62¢	72¢
Common shares .....	9,945,588	9,932,222

Axe Science & Electronics Corp. mutual fund reports strong gains in assets & stockholders for the quarter ended March 31:

	1960	1959
Net assets .....	\$13,191,790	\$11,146,891
Net assets per share .....	11.78	13.44
Capital shares .....	1,120,701	829,632

Webcor reports a decline in sales & earnings in the 9 months to March 31:

	1960	1959
Net sales .....	\$24,008,000	\$26,496,000
Net income .....	395,000	483,000
Per common share .....	61¢	74¢

Lafayette Radio & Electronics (parts wholesaler & mail-order house) announces record sales & earnings for 9 months ended March 31:

	1960	1959
Net sales .....	\$13,526,182	\$10,987,472
Net income .....	365,592	200,676
Per common share .....	36¢	25¢

Itek Corp. & Hermes Electronics have agreed in principle to merge, subject to stockholder approval & further study of their business & finances. Itek, based in Waltham, Mass., would be the surviving company and would exchange one share of its common for each 4¾ shares of Hermes common. Itek reported net sales of more than \$25 million in its fiscal year ended Set. 30, 1959. Hermes, of Cambridge, Mass., posted sales of \$3.8 million in its fiscal year ended Jan. 31, 1960.

**Common Stock Dividends**

Corporation	Period	Amt.	Payable	Stk. of Record
Axe Science & El. ....	—	\$0.64	Jul. 5	May 23
CBS Inc. ....	—	.35	Jun. 10	May 27
GPE .....	Q	.25	Jun. 15	May 27
Indiana General .....	Q	.30	Jun. 10	May 20
Indiana General .....	Stk.	100%	Jun. 10	May 23

P. R. Mallory expects its lagging 2nd-quarter sales & earnings to rise and approximate the year-ago performance, despite "very disappointing" volume in April, Pres. G. Barron Mallory reports. The company opened the year on a rising curve as sales & profits both increased 9% over the year-earlier levels (Vol. 16:16 p19). Despite the 2nd-quarter softening, the company is still projecting record volume & profits for the year. Mallory anticipates a 15% gain in profits on a 5% sales increase in 1960, he said. In 1959, the company reported record earnings of \$4.3 million (\$2.87 a share) on \$86.5 million sales. Pres. Mallory said new orders have been running some 10-15% behind the year-ago pace. He attributed the decline largely to shorter lead time on deliveries to TV, radio & automotive customers.

Thompson Ramo Wooldridge expects 1960 sales to climb 10% above 1959's \$417.7 million and to produce profits "somewhat higher" than last year's \$9.7 million (\$3.02 a share), reported Pres. Dean E. Wooldridge. TRW has a "continuing acquisition program," he said, and is primarily interested in electronics firms making non-military products. Wooldridge said 60% of TRW's products are military items, but the company hopes to reverse the ratio within the "next few years" by acquiring more commercial lines and switching product emphasis to industrial & commercial items. He described semiconductors as among TRW's most promising new products, forecast that its Pacific Semiconductors subsidiary would "double sales" this year.

GT&E anticipates a \$100-million jump in 1960 revenues & sales to about \$1.2 billion from \$1.1 billion in 1959, Chmn. Donald C. Power told the N.Y. Society of Security Analysts last week. Consolidated net income, he estimated, will climb \$9-14 million to a total of \$80-85 million, compared with 1959's \$71.3 million. Power said he was "extremely pleased" with the results of the merger with Sylvania Electric Products, and forecast that Sylvania will continue to improve its profit picture.

Control of Loew's Theatres (radio WMGM N.Y.) is sought by hotelman Laurence A. Tisch, who owns 23% of the firm's common stock. A special stockholders meeting has been called May 26 to increase the maximum number of directors from 10 to 15 and elect 5 additional Tisch-backed directors, including Jay Wells, head of Wells Television Inc. (TV set lease & multiple installation firm).

Pentron Electronics Corp. (tape recorders) reports net income of \$108,604 on net sales of \$2,168,214 for 8 months ended Feb. 29. No comparable 1959 figures are available.

Cornell-Dubilier common stock delisting is sought by the N.Y. Stock Exchange in an application to SEC which said the company's merger with Federal Pacific Electric (Vol. 16:7 p24) leaves less than 30,000 shares outstanding among less than 250 public holders. SEC set May 27 as a deadline for requests for hearings on a delisting order.

Avnet Electronics stockholders last week approved a 2-for-1 stock split to stockholders of record May 11 and authorized directors to sell \$2 million of conv. debentures.

Reports & comments available: Magnavox, report, Francis I. duPont & Co., One Wall St., N.Y. 5 . . . ITT, analysis, Laidlaw & Co., 25 Broad St., N.Y. 4 . . . Precision Transformer Corp., prospectus, John R. Boland & Co., 30 Broad St., N.Y. 4 . . . Teletray Electronic Systems Inc., prospectus, R. P. & R. A. Miller & Co., Philadelphia National Bank Bldg., Philadelphia 7 . . . Zenith, profile in May 11 *Financial World*.

## Educational Television

Part-time ETV station for Charlotte, N.C. is planned by a group of local businessmen who propose to reactivate uhf Ch. 36, already assigned to Charlotte but dormant since WQMC-TV went off the air in March, 1955. Subject to FCC approval, the group would revive Ch. 36 as WUTV, erect a studio & transmitting facilities, and operate the new facility as a commercial uhf station. However, it would grant a minimum of 6 hours of gratis air time (9 a.m. to 3 p.m.) to the local school board for ETV programming. The *Charlotte Observer* observes that "barring unforeseen delays, the station could be on the air by Sept. 1." Associated with the venture is local ad man Hugh A. Deadwyler, onetime CP-holder for Ch. 36.

GE will furnish schools with standard TV sets at minimum cost and update them with newer models every 12 to 18 months, under an ETV replacement plan announced recently by the TV receiver dept. at Syracuse, N.Y. GE estimates that the potential ETV set market will expand to 2,750,000 units by 1965. Educational institutions unable to make large capital outlays may finance through the GE Credit Corp. Under the ETV plan, the cost of using 100 sets would be less than \$1 per set per week.

New ETV science series, *Lab 30*, is being offered free by Westinghouse Bcstg. Corp. to 52 ETV stations, and to 10 commercial stations, provided it is unsponsored. The benefit to Westinghouse lies chiefly in a residual mention of Westinghouse research labs cooperation in the series. Said producer Ben Park of *Lab 30*, which is being produced at WBC's KDKA-TV Pittsburgh: "We are not sugar-coating science for a mass audience. We are trying consciously to get into the rules & premises by which scientists work." Host for the series is Hugh Downs.

New govt. handbook on ETV, *Educational Teleguide*, has been compiled by the U.S. Office of Education's TV-radio staff headed by Franklin Dunham. The 79-page pocket-sized guidebook (available for 30¢ from the U.S. Govt. Printing Office, Washington 25) includes lists of FCC's educational assignments, operating ETV stations, state ETV networks, foundations supporting ETV, colleges & universities offering TV courses, bibliographies.

Fully-equipped ETV studios, operated for the use of non-profit TV organizations by Metropolitan ETV Assn., have been presented to N.Y.U. They are valued at \$300,000 and were owned jointly by the Fund for Adult Education, the Carnegie Endowment for International Peace and META (currently in the process of dissolution). The studios are in the Carnegie Endowment Bldg., 345 E. 46th St.

Latest statistics on U.S. school systems is Office of Education's *Statistics of Local School Systems: 1955-56, Suburban Cities*. The 156-page book is one of a series, each of which is published as completed. Copies are available at \$1 from the Govt. Printing Office.

Financial support for ETV at the state level was recommended in a report to the Cal. State Dept. of Education by special consultant William H. Allen. Allen proposed revising the Education Code to permit establishment by the state of ETV stations as educational facilities on the same basis as state colleges are operated.

Correction: International ETV seminar under UNESCO auspices (Vol. 16:18 p14) will be conducted at Purdue U. May 15-25, 1961, not this year, as reported in Vol. 16:19.



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

## SUMMARY-INDEX OF WEEK'S NEWS

### FCC

**MAJOR FCC POLICY CHANGE**—deep investigation of all phases of station performance to come from new 25-man complaints & compliance div., if Congress provides \$300,000 (pp. 1 & 5).

**MILLS FINALLY OUT**; new talent hunt on for FCC member. Attorneys find no solution to conflict-of-interest problem (p. 4).

**FCC RECOMMENDATIONS** on station sales and network regulation—as submitted to House Commerce Committee (p. 6).

### Congress

**"GREAT TV DEBATE" PLAN** peters out as Democratic & GOP spokesmen join industry against Magnuson-Monroney bill requiring free time for candidates (pp. 2 & 7).

### Auxiliary Services

**CATV BILL KILLED** by crash lobbying; sent back to committee in 39-38 vote after 100 CATVers descend on Senators (pp. 3 & 8).

### Film & Tape

**COMEDY MAKING COMEBACK**; viewers to find partial relief from Westerns as situation comedies prepare resurgence (p. 4).

**WASSERMAN PLAN REVIVED** in Ziv-UA defection from Alliance as latter disavows itself from plan. WGA votes Tues. on proposal to end 18-week-old writers strike (p. 12).

### Networks

**GROSS-TIME BILLINGS** were up 9.8% in the first quarter to \$171.8 million, reports TvB. March billings gained 5.4% to \$58.5 million, to score 1960's highest monthly volume (p. 9).

### Manufacturing & Distribution

**1961 TV LINES** are unveiled by Motorola & GE; RCA shows new color sets, will introduce complete line this week (pp. 17 & 20).

**MOTOROLA'S 19-IN. CORDLESS TV** stirs distributors at Grossinger's showing; self-power unit is in production, carries \$275 price tag, with energy cell \$88 extra (pp. 17 & 21).

**MORE IMPORTS SHOWN** at Parts Show, concentrated in components & hi-fi fields. Sampson shows Hitachi color TV, plans no b&w TV imports (p. 18).

**GE's L. BERKLEY DAVIS** elected EIA president (p. 18). Outgoing Pres. Hull sees electronics future "unlimited" (p. 23). Stereo de-confusion drive scuttled (p. 19).

**CHANNEL MASTER** succeeds in new channels, selling half-million radios in year, grossing \$33 million, antennas representing less than half. Picture tubes next (p. 21).

**REPORT FROM JAPAN** by Commerce Dept.'s Donald S. Parris: Transistor capacity "over-expanded," hi-fi components next big export item; dim view of TV exports (p. 22).

**PHONO SALES** up 30% at retail during 1960's first quarter; stereo increases to 75% of unit sales vs. 45% last year. Retail sales exceed output (p. 23).

### Other Departments

**STATIONS** (p. 10). **PROGRAMMING** (p. 11). **CONGRESS** (p. 12). **ADVERTISING** (p. 15). **TECHNOLOGY** (p. 15). **FOREIGN** (p. 15). **EDUCATIONAL TV** (p. 15) **PERSONALS** (p. 16).

**MAJOR FCC POLICY CHANGE—DEEP INVESTIGATION:** In one of most powerful moves on record, FCC has acted to create a full-fledged "watchdog" division—a 25-man complaints & compliance div. designed to track down transgressions of every conceivable kind—right in stations' back yards.

Commission needs money to do it—\$300,000. At the moment, it stands almost certain chance of getting it, because influential Senators & Representatives have been just begging Commission to request funds for this exact purpose.

Whether Commission gets the \$300,000 or not, it's setting up the division June 1 with small staff, perhaps 2 or 3 (chief not yet selected).

Investigations will run the gamut—actually monitoring programs, checking program logs, payola-plugola, political broadcasts, stations' handling of public complaints, compliance with all pertinent laws, treaties & rules, etc. Investigators will even check on "participation by broadcast licensees in actual station management & operation." In "flagrant" cases, hearings will be ordered—in the field, if necessary. So significant is the Commission action that we reprint full text of FCC statement on p. 5.

Commission goes before Senate Appropriations Subcommittee May 24 (delayed from last week) to justify its request for funds. Group is headed by Sen. Magnuson (D-Wash.), chmn. of Commerce Committee, who constantly nags Commission to ask for "monitoring" & "investigating" funds. His House Appropriations counterpart, Rep. Thomas (D-Tex.) has done same thing.

Some field investigations have been conducted by FCC before, but only sporadically & in cases of

major alleged abuses. New division doesn't disturb work of field Engineering & Monitoring Bureau in technical field. It will replace the minor function of renewal & transfer div.'s compliance branch.

Effectiveness of whole program will depend on how well Commission supports staff. However, it's in nature of things that Commissioners would find it difficult to ignore strong cases prepared on basis of intensive field work.

There were no dissents to Commission action. Commissioners, noted in past for their "hands-off" policies, go for the new program on basis that, as one put it: "We must act more quickly on complaints. Some hang around for months or years. We can't have that."

Chmn. Ford had this to say after statement was issued: "I know there will be criticism, but I should think the responsible people in the industry would welcome it. We could get along without it when this was a small industry. But a lot of fly-by-nights have crept in—and some of them are clobbering the responsible broadcasters."

**'GREAT TV DEBATE' PLAN PETERS OUT:** Legislative proposals to give free prime TV time to Presidential candidates were analyzed in Senate hearings last week—to the point of probable death.

Unprecedented compulsory programming plan will have trouble surviving 3 days of Commerce Communications Subcommittee proceedings in which spokesmen for Republicans & Democrats alike—as well as TV industry—objected to it with more or less vehemence on Constitutional & other grounds.

Nearly one-fourth of Senate had endorsed idea of required donated time after it was suggested in March by Adlai Stevenson in "This Week" magazine article (Vol. 16:11 p13). But Stevenson and ex-Democratic Chmn. William Boyle were lone witnesses to appear at hearings in behalf of measure (S-3171) to implement his formula for "great debate" by Presidential nominees. And even Stevenson said it might be better if time were paid for—by govt. if not by parties.

"Unconstitutional," "confiscatory," "unfair" were some of words used by other witnesses—from NAB special counsel Whitney North Seymour & network chiefs to Socialist Labor Party's Eric Haas—to describe bill. It was co-authored by Sens. Magnuson & Monroney and co-signed by 21 other Senators.

Most telling blows against measure probably came from Republican National Chmn. Thruston Morton & Democratic National Chmn. Paul Butler, however. Morton, who once favored some such TV campaign himself, came out flatly against it. Butler's opposition was voiced in statement read by Democrats' TV-radio dir. Jack Christie. Both said TV should be given chance to show how it will handle issues of 1960 campaign before any legislating on coverage problem is attempted.

Also lined up against Magnuson-Monroney bill was one of its presumed beneficiaries—Vice President Nixon—along with former President Hoover and 2-time Republican candidate Thomas E. Dewey. They did not appear in person. Usually-voluble former President Truman was asked to testify or file opinion on bill, but he hadn't been heard from at week's end. In rare statement on pending legislation, Nixon said he wanted no part of scheme for "legal compulsion" which would "expropriate" TV's stock in trade. Hoover saw no need for change in practice of parties paying own way on air. Dewey called bill "fundamentally objectionable."

Only avowed support for free-time proposals, other than that offered by 1952-56 Democratic candidate Stevenson, came from 1949-51 Democratic National Chmn. Boyle and Sen. Humphrey (D-Minn.), who has withdrawn as 1960 candidate. They suggested (Humphrey in a written statement) that free time required by bill—hour each week for each major candidate for 8 weeks prior to Nov. election—wasn't too much for public to expect from publicly-licensed TV.

FCC took no position on measure. But Chmn. Ford, who was one of lead-off witnesses, pointed out technical flaws in it and warned against "possibility of adverse reaction by the public" if viewers were subjected to simultaneous political programs on TV across country—as contemplated—with no "alternative program choices."

Bill would require TV to do what it's prevented now from doing by Communications Act's Sec. 315, it was pointed out by CBS Inc. Pres. Frank Stanton, NBC senior exec. vp David C. Adams and ABC-TV Pres. Oliver Treyz. In amending equal-time rules last year, Congress turned down industry proposals that debate-type political programs—along with news shows—be exempted from equal-time rules.

Networks proposed alternative free-time plans of their own for full discussions of Presidential campaign issues on TV. Stanton offered minimum of one prime CBS hour weekly for debates by Republican & Democratic nominees. Adams promoted NBC's plan for pre-election series of one-hour "Meet the Press" interviews with candidates (Vol. 16:20 p14). Treyz came up with proposal that networks get together, with Justice Dept. permission, on rotating plan for prime-time political presentations, suggesting that each pre-empt big-audience shows. Big hitch in CBS & ABC plans: They'd require another Sec. 315 amendment or Congressional resolution lifting equal-time restrictions on such shows so that networks wouldn't be subject to minority-party demands. And nobody suggested that there's much chance Congress will vote any such relief now.

Hearings started out with full house & full Subcommittee to see & hear Stevenson. But toward end, Monroney—stubbornly holding out for his bill to make sure all voters have chance to see candidates & weigh issues—was almost only Senator on hand for testimony which virtually smothered it.

Issue of TV's handling of 1960 campaign is by no means dead, however. One thing which will keep it lively: questionnaires sent out to all TV stations by FCC last week at request of Subcommittee Chmn. Pastore (D-R.I.). Commission set June 6 deadline for replies to questions about stations' political-broadcast policies and what they propose to do in Sept.-Nov. election campaign (see p. 7). Subcommittee will be watching for answers—and for performance.

Note: In marshaling Constitutional arguments against compulsory free time, NAB found itself lined up solidly at hearings with its traditional enemies on equal-time issues—minority parties. They were effectively eliminated from Magnuson-Monroney bill coverage by requirement that they must have polled 4% of 1956 vote to qualify. NAB's counsel Seymour said this violated freedom-of-speech First Amendment, which makes no distinction between "popular & unpopular causes." Same point was made vociferously by Socialist Labor Party, Socialist Party's Milton Zlatinsky, and Baltimore Presidential candidate Andrew Easter.

**CATV BILL KILLED BY CRASH LOBBYING:** CATV forces won an astonishing victory in their first full-scale Congressional showdown last week when Senate, by margin of one vote, 39-38, sent CATV-licensing bill (S-2653) back to Commerce Committee. Senatorial leaders of both sides of battle agreed this means death of the bill this session.

We've never seen anything like it in this industry. At very last minute, CATV operators pushed panic button, admittedly, called in colleagues from entire country. Some 100 responded, talked to virtually every Senator in Washington. They walked corridors, held strategy meetings, compared notes. Their battle plans got into hands of the "enemy," Sen. McGee (D-Wyo.), who quoted them on the floor. Campaign was naive & crude by most lobbying standards—but it worked.

Until final vote, CATV forces figured they didn't have a chance, hoped only for fair number of votes, perhaps 20-25. Time & intensity of Senatorial attention given to subject was frankly amazing. Debate took entire time of Senate for 2 days, filled some 50 small-type pages of Congressional Record. Dispute became nasty at times, brought cautionary words from presiding officer.

Couple of dozen Senators participated actively. Leading group for bill was Sen. Pastore (D-R.I.), chmn. of subcommittee that had done the work for Commerce Committee. Though bill means nothing to him politically—and he said so—because Rhode Island has no CATV or small-town stations, he fought extremely vigorously. He was assisted mainly by Western Senators, notably McGee, Allott (R-Colo.) & Mansfield (D-Mont.). Opposition was headed by Sen. Monroney (D-Okla.), who had considerable help from Senators Kerr (D-Okla.) & Cotton (R-N.H.).

Pastore's prime pitch was that bill is mild, imposes only minimum federal regulation necessary to keep CATV from hurting small town TV. He was amenable to several amendments designed to make impact on CATV lighter. He made point of resisting Allott's tough proposed amendment to require CATVs to get permission of originating stations to use their signals.

But Monroney was adamant—and he had the votes. He insisted that bill would put undue & unnecessary burden on small-business CATV to protect a few TV stations from competition. He contended that the number of amendments accepted on floor by Pastore was proof of need for more Committee consideration. To try to help bill along, Pastore occasionally implied that alternative might be state public-utility regulation.

To recapitulate bill's major provisions, FCC would be required to: (1) License CATV systems. (2) Put conditions in CATV licenses to "significantly facilitate the continued operation of a TV station which is pro-

viding the only available locally originated TV broadcast program service." (3) Require CATVs to carry local stations' signals, maintaining technical quality as good as other signals carried. (4) Prohibit CATVs from duplicating programs carried by local stations, i.e., carrying them from outside stations.

Another unique thing about battle was coincidence which permitted several FCC members (Ford, Craven, Cross) & staff to listen to debate first day, May 17. Commission was due to testify on appropriations while debate was on; its appearance was delayed and it had time to kill. Commission sat in for about 1½ hours until it was called out—but only to learn that appropriations hearing was scheduled for another day anyway. It was first debate on a communications bill ever witnessed by many of the FCC entourage.

Commission figured in CATV in another more important way last week, sending its recommendations to House Commerce Committee, giving views on HR-11041 (identical with Senate bill). Commission has changed its mind somewhat. It now recommends prohibitions against duplication of local-station signals. It also believes CATVs should get originating stations' permission, thus going further than Senate bill. And it recommends that CATVs be required to carry local stations' signals & maintain them at good quality.

Commission fears bill may go too far in favoring local stations, saying: "The bill may well have the effect of requiring that a substantial, if not a complete preference be given to a local TV station against any new CATV system or any enlargement of an existing one, without adequate regard to the multiple program services which would thereby be provided."

Upshot is that there will be a new fight next session. CATV spokesmen want no regulation now, but they may be willing to compromise on something as inevitable. "This bill just wasn't fair," said NCTA exec. dir. Edward Whitney. A station spokesman, Harry Butcher of KIVA-TV Yuma, Ariz., sounded rather philosophical about it. Said the wartime aide to Gen. Eisenhower: "During the war, when we were struggling with adversity, the Allies were brought closer together. I think that has happened to our little group. We've only lost a battle. We've made friends. Everyone learned a lot. Monroney & Kerr assure us that they'll try to protect small stations. Maybe there's a common ground and we can both give a little. The wiser CATV people know they'll get state common-carrier regulation if FCC doesn't get it. Some Southern Senators, who believe in states' rights, have said they voted against the bill because of that."

(For lineup on the vote, see p. 8.)

**MILLS FINALLY OUT, NEW TALENT HUNT ON:** The Edward Mills saga is over, with the President officially withdrawing his nomination to FCC. This action followed govt. attorneys' conclusion that there's no way out of his conflict-of-interest dilemma (Vol. 16:20 p4).

There were regrets all around, with kudos for Mills's candor & high sense of propriety expressed in editorials & in Congress. Mills is now "at liberty," to use the show business expression, says he doesn't know what his next move will be.

Talent hunt is on again, therefore, as Administration seeks new nominee. Customary speculation is gathering steam, as candidates & their supporters start name-dropping. Generally, the man named is a surprise, following glut of rumors.

Still no action on Comr. Lee's confirmation to new term. Senate Commerce Committee met on other business last week, but we're told there was nothing deliberate in its failure to act—that reason was lack of time. Same goes for FTC Chmn. Kintner's reappointment.

**COMEDY MAKING COMEBACK:** Not since heyday of "I Love Lucy" has comedy been in such demand as in this buying season. Accordingly, situation comedy series—at least 21—will give viewers relief next fall, from surfeit of Westerns.

Westerns will still be around, but not with such frequency. They'll drop from this season's 30 to about 21. Significantly, most pilots still being considered for what's left of prime network time are comedies. Hollywood producers say this has been a bad year to peddle Westerns. Only 4 new ones (Four Star's "Stagecoach West," Revue's "The Tall Man," and NBC's "The Outlaw" and "Lone Westerner") are scheduled for next fall, all others being renewals. In contrast, the fresh entries include at least 10 comedies.

New season will also include 13 action-adventure shows, 5 private eyes, 7 anthologies, 4 dramatic series. Hour series will be more profuse—26, compared with 20 this season (of which 7 have been cancelled).

## The FCC

### More about

**FCC'S WATCHDOG DIVISION:** Here is the full text of Chmn. Ford's statement to Senate Appropriations Subcommittee (see p. 1), due to be presented May 24:

"We took this step because of our conviction that vigorous, timely and systematic action in this area is essential to ensure that broadcasters fully discharge their obligation to operate in the public interest. I wish to emphasize that our decision in no way undercuts or limits the basic responsibility of licensees to take self-corrective measures, where these are required. But we believe that these self-corrective measures will be more effective—and enduring—if the commission has adequate resources & machinery to discharge its obligations under the Communications Act.

"Our program contemplates stepping up very sharply our thoroughness and effectiveness in handling complaints. Currently, we receive 120-150 complaints weekly on broadcast matters, in addition to the matters recently brought to light, among others, by the Federal Trade Commission, by Congressional committees, and by the replies from stations and networks to our recent questionnaire on Section 317 practices. To arrive at a sound judgment as to the merits of some of the practices complained of we must be able to send trained staff directly into the field to dig up the essential facts—objectively and thoroughly. While there is a place for and some utility in obtaining formal, written statements of explanation from licensees involved in individual cases, it is not an adequate substitute in many instances for direct, field investigation.

"I don't want to convey the impression that the Commission has never sent investigators in the field before. However, where the complaints on their face are substantial, whether they involve an individual station or go to a general industry practice, we must have the wherewithal to look into all such substantial complaints by going to the source and drawing together all of the relevant facts—pro and con—needed to dispose of complaints on their merits. This is a prime obligation we owe to the public.

"The second prong of our program involves checking into selected stations on a regular, continuing basis. We have some 1,700 stations coming up annually for renewal, and while we have some information on each of these stations when we make our renewal decisions, we do not have available an analysis in depth of the operations of each such station. We rely primarily on information, statistical and otherwise, submitted by the stations and on the presence or absence of any complaints filed against the stations or other information coming to the Commission's attention which bears on the operations of licensees.

"Now, we propose to undertake an audit in detail of a limited number of selected stations so that we can have a much more penetrating and more rounded view of how effectively stations discharge their stewardship in the public interest. We intend, among other items, to check on program logs, Section 317 compliance, political broadcast records, and other pertinent station controls, records, and procedures related to the Commission's non-technical rules and regulations and other statutory and treaty requirements; to examine the extent, nature, and disposition of complaints coming directly to the stations; to ascertain whether representations made in connection with license applications are reasonably complied with, as, for example, participation by broadcast licensees in actual station management and operation.

"For these station audits, we will use, as one of our tools, sample monitoring of station programs which will be compared with the logs of the stations, and the representations of the stations to the Commission, as well as a general check on station compliance with Commission rules and regulations.

"This is an ambitious program and it requires men and money for its effectuation. As I have said, we have gone ahead and set up a complaints and compliance division. But, as you well know, the personnel and funds we can draw off from other vital Commission tasks are very limited. We will go ahead with the available resources in any event. However, it is the Commission's considered judgment that substantial additional funds are needed to put this program over.

"We estimate that an appropriation of \$300,000 is required for the first year of our program as outlined. This sum, if made available to the Commission, would restore our appropriation to the level recommended by the Bureau of the Budget (aside from the reduction in the appropriation for the uhf study). While this would restore the monies cut by the House (\$315,000), I should make clear that the program for which these funds are urged is new and was not previously before the House.

"The \$300,000 needed for the program divides into \$210,000 for personal services, \$42,000 for travel, and \$48,000 for monitoring service and "other objects." To permit us to use the travel funds which we are herein requesting, the language of the appropriations bill as approved by the House must be amended to increase our total travel limitation to \$186,000 (\$42,000 for this program, and \$144,000 for all other travel).

"We would have a staff of 25 persons (exclusive of secretarial and clerical assistants) who may be in the field at least half of the time. Obviously, the first year will be experimental. We cannot tell at the moment with precision the specific number of complaints we will designate for full-field investigation, or the number of stations we will audit.

"There are some 5,000 broadcast stations operating in 2,000 communities throughout the nation. We would do well with the proposed staff if we could reach as many as 100 communities for full audit. The stress, however, will not be placed on mechanically covering a prescribed number. Rather we intend to develop means of effectively screening various types of situations and to focus our resources where they will do the most good.

"If abuses are uncovered, remedial action will be required. In those cases where licensees are found to have abused their trusteeship flagrantly, provision has been made for formal hearing proceedings. Moreover, hearings in the field will be required in some cases, to provide a proper forum to determine whether the service provided by stations has been in the public interest.

"The decision reached by the Commission that systematic investigation of complaints and regular station audits, including program monitoring, are required in the public interest has come only after a full consideration of all the facts. We are persuaded that without impairing the basic responsibility of licensees, the program as outlined is essential to strengthening the Commission's processes. The program undoubtedly will have a very significant impact on the industry. It should stimulate licensees to establish and maintain policies and practices more closely related to the public interest; and may well serve to raise the general level of broadcasting service."

# FCC RECOMMENDATIONS ON STATION SALES & NETWORK REGULATION

Submitted to House Interstate & Foreign Commerce Committee

FCC's important recommendations on pending bills affecting station sales & network regulation, sent to the House Commerce Committee (Vol. 16:20 p1), contained the Commission's proposed additions & changes to the language of the bills. The texts of FCC's suggestions are reprinted below. Appendix A covers transfers. Appendix B affects network regulation. FCC recommended that the words in italics be added and that words in brackets be deleted from the bills now under consideration—HR-11340 on transfers, HR-11340 & HR-5042 on network regulation:

## APPENDIX A

### SUGGESTED AMENDMENT OF SUBSECTIONS (d), (e), AND (f) OF SECTION 310 OF THE COMMUNICATIONS ACT AS PROPOSED BY SECTION 1 OF H. R. 11340.

(d) The holder of a broadcast station license or construction permit may not voluntarily transfer such license or permit within three years after acquiring it by grant (otherwise than as a renewal of the license) from the Commission or by transfer from another licensee or permittee, unless—

- (1) both the licensee or permittee and the proposed transferee of such license or permit shall first file with Commission applications for approval of the transfer;
- (2) [the Commission has given public notice of such applications, including the terms and conditions of, and the consideration which is to be paid by the licensee to the transferee\* by reason of the proposed transfer, and] public notice has been given of such applications, and the Commission has designated the applications for a public hearing in the area which will be served by the station; and
- (3) it is affirmatively found by the Commission, after hearing, that due to inadequacy of operating capital, death or disability of key management personnel, or other changed circumstances affecting the licensee or permittee, occurring subsequent to the acquisition of the license or permit, approval of the proposed transfer will serve the public interest, convenience, and necessity.

*The provisions of paragraphs (2) and (3) of this subsection shall not be applicable to pro forma transfers or to transfers in connection with which the Commission finds, and states the reasons for such finding, that the transferor has made the affirmative showing required by paragraph (3) by submitting without hearing, independent probative evidence to corroborate his assertion of changed circumstances affecting the licensee.*

(e) No voluntary transfer of a broadcast station license or construction permit (except a pro forma transfer or a transfer to which subsection (d) of this section applies) [and no transfer of a permit for the construction of a broadcast station] shall be made unless the proposed transferor and the proposed transferee shall first file with the Commission applications for approval of such transfer, and unless [the Commission] either—

- (1) [has given] public notice has been given of such applications and the Commission has designated such applications for a public hearing in the area which will be served by the station, or
- (2) the Commission has made a finding (which shall be entered in the records of the Commission and be kept available for inspection by the public) that the public interest, convenience, and necessity will be served by approving the transfer without a hearing, and there shall be included in such finding of the Commission a statement of the reasons for such finding.

(f) Public notice of applications, required to be given [by the Commission] under subsections (d) and (e) of this section, shall be the responsibility of the applicants. The Commission shall prescribe appropriate rules and regulations to carry out the provisions of this subsection.

## APPENDIX B

1. Section 3 of the Communications Act of 1934 (47 U.S.C. 153) is amended by adding at the end of the following new subsection:

"(hh) 'Network' means a person or organization which, as a part of its regular business, by contract or agreement, express or implied with two or more affiliated broadcast stations, offers or supplies program service to such stations under prescribed conditions for the purpose of effecting a coordinated broadcast of identical programs by such stations.

2. Title III of the Communications Act of 1934 is amended by adding the following new sections:

"Section ..... Each network shall file an informational statement with the Commission which shall contain such information and set forth such facts regarding (1) the ownership and (2) the operational policies, practices and activities of such network which affect the ability of broadcast licensees to operate their stations in the public interest, as the Commission shall require; and each such network shall file with the Commission amendments to such statement, from time to time, as the Commission shall deem to be necessary to keep current the facts and information required in such statement. The Commission, at any time after the filing of such statement, may require the filing of further written statements of fact by each such network to assist the Commission in the enforcement of the Act and in determining whether such

network has complied with the provisions of the Act and the rules and regulations thereunder. Each such statement, amendment thereto, or further statement shall be in writing and shall be signed by the principal officer of such network under oath or affirmation."

"Section ..... No network shall be owned or operated by—

- (1) Any alien or the representative of any alien;
- (2) Any foreign government or the representative thereof;
- (3) Any corporation organized under the laws of any foreign government;
- (4) Any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives thereof or by any corporation organized under the laws of a foreign country;
- (5) Any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the capital stock is owned of record or voted after June 1, 1935, by aliens their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country.

"Section ..... The Commission shall, from time to time, as in its judgment, the public interest, convenience, or necessity may require, (1) classify television and radio networks; and (2) issue such rules and regulations with respect to each such class of networks, as the Commission may determine to be necessary or appropriate to assure that the policies, practices, and activities of such networks shall not adversely affect the ability of broadcast licensees to operate their stations in the public interest. Such rules and regulations may include, but shall not be limited to, rules and regulations (A) to require networks to exercise supervision and control over the preparation of, and to prohibit discriminatory practices in the selection of, all matter supplied by such network to any licensee for broadcasting; (B) to prohibit any network from giving unfair advantage, by means of any matter supplied to any licensee for broadcasting; to any person affiliated with, controlling, controlled by or under common control with such network or in which such network has any direct or indirect financial or beneficial interest, in connection with promoting the sale or distribution of any product or service of such person; (C) to prohibit networks from entering into a contract or understanding with any broadcast station licensee which would limit the ability of such licensee to operate his station in the public interest, including, without limitation, provisions relating to exclusive affiliation or territorial exclusivity arrangements; the duration of affiliation agreements; the optioning of station broadcast time; the acceptance or rejection of network programs; or the controlling or influencing of non-network rates; (D) to limit ownership of stations by networks; (E) to restrict the number of networks that may be owned or operated by any person; (F) to prohibit or limit network practices or activities in the representation of stations in the sale of non-network time; (G) to require networks to make reasonable distributions of their programs to stations; (H) to prohibit discriminatory practices by networks in the selection of affiliates; (I) to require networks to provide equal opportunities to legally qualified candidates for public office in accordance with the provisions of Section 315 of this Act; (J) to require views concerning public issues; and (K) to require networks to identify the sponsor of and disclose the fact of payment with respect to matter supplied to any licensee for broadcasting, in accordance with the provisions of Section 317 of the Act."

"Section ..... The Commission, as to matters within its jurisdiction, shall have power by rules and regulations to define technical, trade, accounting or industry terms used in this Act insofar as such definitions are not inconsistent with the provisions of this Act."

"Section ..... Where any network has violated or failed to observe any of the provisions of this Act or of any rule or regulation of the Commission authorized by this Act, the Commission may issue either affirmative orders or cease and desist orders to any such network, to compel compliance with this Act or any regulations issued thereunder. Such process shall be instituted by the Commission by the issuance of an order to show cause to the person or persons affected to appear before the Commission at a time and place stated in the order, but in no event less than thirty days after receipt of such order and give evidence upon the matters specified therein. The burden of proceeding with the introduction of evidence and the burden of proof shall be upon the Commission; except that the burden of proceeding with the introduction of evidence and the burden of proof shall be upon a network to establish that the contents of an informational statement filed under Section ..... of the Act are not materially false or misleading or incomplete."

Space communications are rising fast to the top of FCC spectrum allocations problems. Last week, the Commission reopened its proceeding covering the use of 840 mc & above—to gather comments on the immediate needs of industry & govt. Comments are due by July 8, and oral argument is scheduled for July 18. In a separate new proceeding, the Commission asked for comments on the long-range needs for space communications, setting March 1, 1961 as the deadline. Some remarkable ideas are expected. For example, GE aims to get a strong solar-powered satellite up by late 1961 or early 1962 to handle a variety of signals—including TV. GE says it can't give more details now; but there are reports it will radiate 50 kw.

\*There is an obvious transposition of terms in H.R. 11340, so that the bill should read, "to the licensee by the transferee."

**More about**

**TV & CAMPAIGN POLITICS:** All TV stations were called on by FCC last week to answer another questionnaire—this one designed to put them on record on how they are “carrying out their obligation to serve the public interest in the area of political broadcasting.”

In a follow-up to Senate Commerce Communications Subcommittee hearings on the Magnuson-Monroney bill (S-3171) to require all TV networks & stations to donate free time for campaign discussions by Republican & Democratic Presidential candidates (see p. 2), Commission asked answers to 7 questions by June 6.

The information from the stations is needed not only by the Subcommittee, which requested it, but by FCC itself in “the discharge of its statutory responsibilities,” Commission said. It cited last year’s Supreme Court ruling in the S.D. Farmers Union vs. WDAY Inc. case, in which it was held that broadcasters aren’t responsible for libel committed by politicians who get equal time under the Communications Act’s Sec. 315 (Vol. 15:27 p1):

“The thrust of Sec. 315 is to facilitate political debate over radio & TV. Recognizing this, the Communications Commission considers the carrying of political broadcasts a public-service criterion to be considered both in license renewal proceedings and in comparative contests for a radio or TV construction permit.”

The 2-part FCC questionnaire follows:

**A. General Policy with Respect to Political Broadcasts**

1. State whether it is your policy (A) to sell time, (B) make time available without charge, (C) both.
2. Does your policy as set forth in reply to question 1 differ with respect to broadcasts by or on behalf of candidates for (A) local, (B) state, or (C) national offices? If yes, please explain.
3. State whether it is your policy to sell time or provide time without charge for (A) programs, (B) spot announcements, (C) both.
4. Do you impose any general limitations with respect to the length & frequency of a program or spot announcement by or on behalf of a particular candidate? If yes, please explain.
5. Do you impose any general limitations with respect to the hours during the broadcast day in which you sell or make time available without charge for political broadcasts? If yes, please explain.

**B. Political Broadcast Policy with Respect to Forthcoming Election Campaign (Sept.-Nov. 1960)**

1. In connection with broadcasts by or on behalf of candidates for President & Vice President, describe your present or proposed policy with respect to clearing time for sales of such programs made either by the network with which you are affiliated or by non-network sources.
2. In this same connection, describe your present or proposed policy with respect to clearing time for sustaining programs offered either by the network with which you are affiliated or by non-network sources.

\* \* \*

Political-broadcast plan for Westinghouse Bestg. Co. stations on state, regional and local issues “under the concept of face-to-face debate,” is being finalized, reports Pres. Donald H. McGannon. WBC stations will offer debate time “to certain offices . . . on a gratuitous basis.”

FCC won’t censor, it said last week, turning down complaints about newscaster Ben Henry Pooley of radio WEBY Milton, Fla., owned by Clayton W. Mapoles. A petition for revocation of WEBY and Mapoles’ WBLO Evergreen, Ala., had been filed by the county commissioners, sheriff, state representative and state senator of Santa Rosa county, Fla. They charged that Pooley was hired by Mapoles for “the avowed purpose” of making “irresponsible personal attacks” on them. FCC said that stations shouldn’t be used for “private interest, whims, or caprices” of licensees but at the same time the Commission can’t “permit its processes to be used to resolve political differences in local communities.” It said that the complaints could be brought up when Mapoles’ licenses are up for renewal on Feb. 1, 1961. Meanwhile, it said: “Without passing on the propriety of the Pooley broadcasts, we feel that any attempts on our part to censor him would be unwarranted.”

Talk of a “consumer panel” to advise FCC on programming is way off base as far as Chmn. Ford is concerned. He was recently reported hinting at favoring the formation of such a panel during a discussion at the Ohio State U. Institute for Education by Radio-TV. Ford says he must have been completely misunderstood. “How could I be for such a panel?” he asked last week. “We could do that only if we wanted to tell stations how to program. Creation of such a panel would be flirting with censorship. There’s nothing wrong with our broadcasting system. I just want the broadcasters to work harder. I know that networks & stations can & do establish advisory panels and find them quite valuable—but the FCC couldn’t. How many Commissions can you have?”

FCC needs no outsiders to investigate station programming “in its name,” the Commission said stiffly in a public notice. It seems that Cal. stations had received copies of a questionnaire—represented as coming from FCC—demanding program information. “Inquiry shows that it was sent by an over-zealous college student in connection with the preparation of a thesis,” Commission reported, pointing out that “it has not & does not authorize outsiders to request such data.”

WESH-TV Daytona Beach has been granted permission to identify itself also with Orlando. WKBM-TV Caguas, P.R. was given permission to add San Juan to its identification. The FCC turned down objections of KARD-TV & KAKE-TV Wichita against authorization permitting KTVH to identify itself with both Hutchinson & Wichita. Lee dissented to the Daytona Beach & Hutchinson actions.

New international station, the nation’s 5th, was granted to the Rev. John M. Norris, who also operates radio WGCB Red Lion, Pa. Rev. Norris plans to beam programs to countries around the Mediterranean, including Southern Europe, North Africa and the Near East. The schedule will run 3-7 p.m. daily, mostly sustaining, in English, Italian, French and Spanish initially. The programs will include news, music, religion, history, UN summary.

WTEN-TV (Ch. 10) Vail Mills, N.Y. temporary operating authority, granted to Capital Cities Bestg. Corp., has been continued by the FCC. The Commission denied a petition of Veterans Bestg. Co. which had urged that WTEN-TV be taken off the air pending a final decision in the comparative hearing for the channel between Veterans & Capital. The latter holds an FCC examiner’s favorable initial decision in the case (Vol. 15:33 p5).

## Auxiliary Services

### More about

**Senate CATV Vote:** Defeat of CATV-licensing bill was by mere one-vote margin, 39-38 (see p. 3), but the majority held during a 2nd vote to reconsider, which ran 38-36. Here's how your Senators voted:

To block the bill and send it back to Senate Commerce Committee—Aiken (R-Vt.), Bridges (R-N.H.), Bush (R-Conn.), Byrd (D-W.Va.), Carlson (R-Kan.), Clark (D-Pa.), Cooper (R-Ky.), Cotton (R-N.H.), Dirksen (R-Ill.), Dworshak (R-Ida.), Eastland (D-Miss.), Ellender (D-La.), Fong (R-Hawaii), Gore (D-Tenn.), Hickenlooper (R-Ia.), Hill (D-Ala.), Holland (D-Fla.), Javits (R-N.Y.), Johnston (D-S.C.), Keating (R-N.Y.), Kerr (D-Okla.), Long (D-La.), Lusk (D-Ore.), McClellan (D-Ark.), Martin (R-Ia.), Monroney (D-Okla.), Morton (R-Ky.), Mundt (R-S.D.), Muskie (D-Me.), Prouty (R-Vt.), Robertson (D-Va.), Russell (D-Ga.), Saltonstall (R-Mass.), Scott (R-Pa.), Smith (R-Me.), Sparkman (D-Ala.), Stennis (D-Miss.), Wiley (R-Wis.).

Against sending bill back to committee—Allott (R-Colo.), Bartlett (D-Alaska), Beall (R-Md.), Bible (D-Nev.), Butler (R-Md.), Cannon (D-Nev.), Carroll (D-Colo.), Case (R-N.J.), Case (R-S.D.), Chavez (D-N.M.), Church (D-Ida.), Curtis (R-Neb.), Dodd (D-Conn.), Douglas (D-Ill.), Engle (D-Cal.), Goldwater (R-Ariz.), Gruening (D-Alaska), Hart (D-Mich.), Hartke (D-Ind.), Hayden (D-Ariz.), Hruska (R-Neb.), Humphrey (D-Minn.), Jackson (D-Wash.), Kuchel (R-Cal.), Lausche (D-O.), Long (D-Hawaii), Magnuson (D-Wash.), Mansfield (D-Mont.), McGee (D-Wyo.), Moss (D-Utah), Murray (D-Mont.), Pastore (D-R.I.), Proxmire (D-Wis.), Schoepfel (R-Kan.), Thurmond (D-S.C.), Williams (R-Del.), Young (R-N.D.), Young (D-O.).

On the 2nd vote, Butler, Schoepfel & Wiley didn't participate.

\* \* \*

Five CATV microwave CPs will be explored in evidentiary hearings ordered by FCC on the basis of protests filed by the TV stations. They are: (1) Mesa Microwave, to relay signals of WJXT, WFGA-TV & WJHP-TV Jacksonville to a proposed CATV system in Tallahassee. Protested by WCTV Thomasville-Tallahassee. (2) East Tex. Transmission Co., to relay WBAP-TV, KFJZ-TV, KRLD-TV & WFAA-TV Ft. Worth & Dallas to CATV in Tyler & Jacksonville, Tex. Protested by KLTW Tyler. (3) Mesa Microwave, to relay WOAI-TV, KENS-TV, & KONO-TV San Antonio to CATV in Laredo. Protested by KGNS-TV Laredo. (4) Carter Mountain Transmission Corp., to relay KTWO-TV Casper to CATV in Riverton, Lander & Thermopolis, Wyo. protested by KWRB-TV Riverton. (5) Montana Microwave, to relay KXLY-TV, KHQ-TV & KREM-TV Spokane to CATV in Helena. Protested by KXLJ-TV Helena.

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**Translator starts:** K76BA Libby, Mont. began May 15 repeating KXLY-TV Spokane. K75AS & K81AH Granite Falls, Minn. plan a June 1 start with KSTP-TV & WTCN-TV Minneapolis. K83AN & K77AT Carrizo Springs-Crystal City, Tex. plan a June 15 start with KONO-TV & KENS-TV San Antonio.

**Translator grants:** Ch. 74, Lihue, Hawaii, to Kaiser Hawaiian Village TV Inc., to relay KHVH-TV Honolulu; Ch. 78, Seaside, Ore., to Seaside Video Club Inc., to relay KPTV Portland.

**Cal. Hears from Matty:** Tolvision Inc., new name of Matthew Fox's pay-TV company, is ready to establish its system, after 6 years and an expenditure of \$5.8 million, Fox told the Cal. State Assembly Interim Subcommittee on Public Utilities & Corporations last week in San Francisco. He said he had changed his firm's name to avoid confusion with Skiatron Electronics. Subcommittee Chmn. Rex Cunningham congratulated Fox for his "frank & lucid" testimony. Also testifying was Telemeter chief counsel & vp Chester I. Lappen, who termed his firm's Toronto experiment a success. He suggested there could be some form of state pay-TV regulation, but indicated he opposed granting of exclusive franchises in local areas. Cunningham said his subcommittee will issue its final report in Oct. William Bennett, chief counsel for the Public Utilities Commission, testified it had no jurisdiction over pay-TV systems using wire and could not regulate in any way unless pay TV was made a public utility. The committee will report in Oct. to the Cal. legislature on whether or not legislation is needed. A bill now before this legislature would disallow all pay-TV for at least another year. After the hearing, Fox told newsmen he was in negotiations with Metro and 20th-Fox on a pay-TV alignment.

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Twentieth Century-Fox plans to enter the pay-TV business, and is negotiating to buy a pay "system," Pres. Spyros P. Skouras told the stockholders meeting in N.Y. last week. He said that although he believes in pay TV, he doesn't believe it's necessary to show first-run films for it to be successful, indicating that he wants regulations to keep new movies off pay TV for 5-7 years. Before the meeting, an offer was revealed for purchase of 20th Century's Los Angeles studios for \$43 million. The prospective buyer is the N.Y. real estate firm of Kratter Corp., which said it had agreed to purchase Webb & Knapp's interest in the property as well as the bulk of the ownership, held by the movie company.

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FCC continues to mark time on vhf booster rules, waiting for the House to act on the Senate-passed bill that would excuse existing booster operators for having built without FCC authorization. Another reason the Commission won't act is that Comr. Bartley is in Europe. Commission has been split 3-3 on promulgating booster rules, with Bartley against issuing them in the past. Out of courtesy to him, his colleagues will wait until he returns. Said an FCC spokesman: "When the Commission is deadlocked, we don't try to slip something through in a member's absence. If we made a practice of that, we just couldn't live with each other." Meanwhile, House Commerce Committee Chmn. Harris (D-Ark.) has promised FCC to move quickly on the bill.

Illegal vhf booster in Lebanon, N.H., first in the East (Vol. 16:19 p15), won't be disturbed by FCC. CATV operators Paul Clark, Lebanon, and Phillips Lothrop, Burlington, Vt., complained to FCC and their Senators & Representatives, received a reply from the Commission to the effect that such boosters are operating in a "grace period" while rules to legalize them are under consideration.

Limitations on microwaves serving CATV systems are sought by NBC in a petition filed with FCC. NBC requests that microwaves to carry station signals to CATV systems be granted only when the microwave applicant has received permission from the originating station.



## Networks

**CBS Analyzes ABC Success:** Normally the most dignified of networks when it comes to free-for-alls about ratings, CBS-TV has finally gotten around to giving ABC-TV's claims to nighttime rating "leadership" a brisk workout. The action turned up in a CBS research bulletin (now circulating among the network's executives) about ABC's gains & the status of the ABC-CBS rivalry.

For one thing (points out research dir. Jay Eliasberg's bulletin), CBS is still the national leader on the basis of Nielsen figures "for entire evening and for the entire country" for the Oct. 1959-March 1960 period. On this broad yardstick, CBS-TV's average-audience level of 21.9 is 15% bigger than the ABC-TV Nielsen AA figure of 19.1.

Slide-rule diplomat Eliasberg is quick to admit that "ABC has improved its rating position somewhat vis-a-vis CBS between last season and this." (Last season, in the comparable period, CBS was 21% ahead of ABC.) However, Eliasberg spotlights what CBS researchers believe to be the real reason for the ABC gain: "They increased the proportion of action shows in their schedule."

Last season, states the bulletin, 27% of the CBS-TV schedule was devoted to "action" shows. This season, 33%. ABC-TV last season devoted 44% of its schedule to action melodrama, this season 61%. "The importance of these facts is demonstrated," says Eliasberg, "when we consider the substantially higher ratings earned by 'action' shows than are earned by 'non-action' shows. This season, for example, 'action' shows rated 20% higher than 'non-action' shows on CBS, while 'action' shows on ABC rated 39% higher than 'non-action' shows. Obviously then the greater the proportion of 'action' shows in a network's schedule, the higher its average rating."

**Canada's New Web:** A 2nd coast-to-coast TV network is being organized in Canada to compete with the existing network now operated by govt.-owned Canadian Bestg. Corp. The Board of Best. Governors has announced that applications for network license will be heard in Sept. at a public hearing. The network is reportedly being organized by 8 new private stations now being licensed, along with Canadian film companies. (ABC International vp Donald Coyle has been there as "an interested observer.")

This year BBG has licensed new TV stations in Montreal, Toronto, Winnipeg and Vancouver, and decisions are pending on applications in Edmonton, Calgary, Ottawa and Halifax. Preliminary discussions indicated a network would be built on video-tape & film exchanges but now an attempt will be made to use the microwave facilities.

No-defense pleas were suddenly offered by ex-MBS officers Alexander L. Guterma & Hal Roach Jr. in Washington's U.S. District Court last week—just 3 days after they went on trial on charges of failing to register as foreign agents of the Dominican Republic. Already sentenced to 4 years & 11 months in jail and fined \$160,000 for illegal stock manipulations (Vol. 16:8 p24), Guterma withdrew his plea of not guilty after his onetime counsel Saul S. Nevins testified about an alleged \$750,000 deal to use MBS facilities for Dominican propaganda. He was charged with failure to register personally as a foreign agent. Co-defendant Roach, accused of failing to register MBS, similarly pleaded no contest. Judge J. R. Jackson deferred sentences, which could be 5 years in prison & \$10,000 fine.

## Network Television Billings

March 1960 and January-March 1960

For Feb. report, see TELEVISION DIGEST, Vol. 16:18 p6

**First Quarter Up 9.8%:** Network TV's first-quarter gross-time billings closed out 9.8% ahead of the year-ago volume, although March business was only 5.4% ahead of March 1959. TvB reports that Jan.-Mar. billings rose to \$171,842,575 from first-quarter 1959's \$156,519,428. March produced 1960's highest monthly billings with a total \$58,546,317 (compared with March 1959's \$55,558,741).

CBS continued to outpace the other networks in dollar volume, both in March (\$24,013,247) and year-to-date (\$70,467,776). ABC registered the largest percentage gains: 22.3% for first-quarter 1960 over first-quarter 1959, 16.6% for March over March 1959.

First-quarter nighttime billings of the 3 networks increased 16.1% to \$119,804,271 from \$103,193,878 for Jan.-Mar. 1959. Daytime billings sagged 2.4% to \$52,038,304 from \$53,325,550. In March vs. March 1959, nighttime billings gained 9% to \$40,496,627 from \$37,166,297; daytime declined 1.9% to \$18,049,690 from \$18,392,444.

### NETWORK TELEVISION

	Mar. 1960	Mar. 1959	% change	Jan.-Mar. 1960	Jan.-Mar. 1959	% change
ABC	\$13,487,460	\$11,565,031	+16.6	\$39,424,580	\$32,236,569	+22.3
CBS	24,013,247	23,265,395	+3.2	70,467,776	66,200,863	+6.4
NBC	21,045,610	20,728,315	+1.5	61,950,219	58,081,996	+6.7
<b>Total</b>	<b>\$58,546,317</b>	<b>\$55,558,741</b>	<b>+5.4</b>	<b>\$171,842,575</b>	<b>\$156,519,428</b>	<b>+9.8</b>

### 1960 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January	\$13,260,010	\$23,477,358	\$20,980,897	\$57,718,265
February	12,677,110	22,977,171	19,923,712	55,577,993
March	13,487,460	24,013,247	21,045,610	58,546,317

Note: Figures revised as of May 6, 1960. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on basis of one-time network rates or before frequency or cash discounts.

## NETWORK SALES ACTIVITY

### ABC-TV

- Bourbon St. Beat, Mon., 8:30-9:30 p.m., particip. eff. July.  
*Alberto-Culver* (Geoffrey Wade)
- Daytime programming, participations, eff. July.  
*Minute Maid Corp.* (Dancer-Fitz-Sample)
- Daytime programming, renewal of participations, eff. June.  
*Simoniz* (Young & Rubicam)

### CBS-TV

- Captain Kangaroo, Mon.-Fri. a.m., alt. wk. quarter hrs. eff. Aug.  
*Kayser-Roth* (Daniel & Charles)
- Revlon Revue, June 2 & 9, half-sponsorship.  
*Schick* (Benton & Bowles)
- Tom Ewell Show, Tue. 8:30-9 p.m., alt. wk. sponsorship eff. fall 1960.  
*Procter & Gamble* (Leo Burnett)

### NBC-TV

- World Wide 60 documentary marking 50th anniversary of Boy Scouts, July 30.  
*Campbell Soup* (BBDO)
- National Open Golf Championship, Sat. June 18, full sponsorship of windup match.  
*Minnesota Mining Thermo-Fax Products* (Erwin Wasey, Ruthrauff & Ryan)

## Stations

**NEW & UPCOMING STATIONS:** U. of Ga.'s educational WGTV (Ch. 8) Athens, Ga. began programming May 23 to boost number of U.S. operating outlets to 565 (87 uhf), including 48 non-commercial stations (13 uhf).

The new station has a 10-kw driver, a 25-kw RCA transmitter and a 1000-ft. Stainless tower with 18-section superturnstile antenna on Jacks Creek Mt., near Monroe, Ga., 17 mi. WSW of Athens. Transmitter connects via microwave with studios in University's \$2.5-million Center for Continuing Education, which have been used for closed-circuit programming since April 1957. Gerard L. Appy, associate dir. of Center's communications div. is WGTV gen. mgr.; O. B. Land Jr., operations mgr.; Hill Belmont, production mgr. & film buyer; Edward Graham Jr., ex-WSM-TV Nashville, chief engineer.

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In our continuing survey of upcoming stations, these are the latest reports from other educational CP holders.

WFSU-TV (Ch. 11, educational) Tallahassee, awaiting arrival of 10-kw GE transmitter, hopes to begin programming in June, reports Roy Flynn, dir. of Fla. State U. bestg. services. The transmitter house is under construction and building of a 777-ft. Klein tower began this month.

WIPM-TV (Ch. 3) Mayaguez, P.R., planned as non-commercial outlet by P.R. Dept. of Education, has changed its target to July, writes R. Delgado Marquez, gen. mgr. of the Dept.'s other station, WIPR-TV (Ch. 6, educational) San Juan. It has a 6-kw RCA transmitter nearly ready for use and expects to have a 202-ft. Ideco tower ready soon.

KERA-TV (Ch. 13, educational) Dallas, Tex. still hopes to begin full programming schedule in Sept., but initial start with limited programming has been delayed from July to Aug., reports E. O. Cartwright, pres. of grantee Area Educational TV Foundation. The transmitter it's taking over from WFAA-TV (Ch. 8) won't be ready for use until mid-July. Work on temporary studios, near the transmitter on Harry Hines Blvd., began in April. It will use a 300-ft. tower, also acquired from WFAA-TV.

KWCS-TV (Ch. 8, educational) Ogden, Utah, has a 1-kw RCA transmitter on order and still hopes to meet its Sept. target, according to T. H. Bell, Weber County School Supt. It will use a 112-ft. tower. John A. Larson has been named station director; Norman Barber, engineer.

Small-market TV & radio stations need exemptions from overtime wage provisions of the Fair Labor Standards Act, NAB personnel & economics mgr. Charles H. Tower said in House testimony. He told the Education & Labor Subcommittee on Labor Standards that it's "awkward" or "impossible" for small stations to adhere strictly to the wage-hour law because of their "unusual & unique operating conditions."

Application for sale of WJDM (Ch. 7) Panama City, Fla. for \$340,000 to the Herald Publishing Co., licensee of WALB-TV (Ch. 10) Albany, by owner Mel Wheeler, has been filed with FCC.

FTC's anti-payola drive has produced new complaints against: Nashboro Record Co. Inc., 177 3rd Ave., N., Nashville, and Pres.-treas. Ernest L. Young, accused of making under-the-table payments to TV & radio disc jockeys. Robert Field, operating as Pacific Record Distributors, 2663 W. Pico Blvd., Los Angeles, accused of paying off jockeys & other station personnel. Portem Distributing Inc., 601 W. 50th St., N.Y., and secy. Gladys R. Paré, accused of payments to jockeys, other station employees and radio stations themselves.

**NAFI Buys Third Station:** NAFI Corp. has purchased its third TV station, KFJZ-TV Fort Worth-Dallas, for "a total consideration within the area of \$4 million," we're told by Kenyon Brown, president of the broadcast division of NAFI. The station was acquired from Texas State Network Inc., of which Gene Cagle is pres. and the Sid Richardson Foundation is principal owner.

As in other NAFI broadcast operations, Bing Crosby will serve as board chairman. NAFI also owns KCOP Los Angeles, KPTV Portland, Ore., and radio KXYZ Houston. Brown said NAFI plans to acquire the legal limit of 5 vhfs and 7 radio stations.

NBC's proposed station purchases & swaps (Vol. 16:20 p2) produced no major developments last week. Applications for the transfer are due to be filed with FCC shortly, perhaps this week. Federal District Court in Philadelphia has postponed from May 27 to the first week in June or later the argument on Westinghouse's & KRON-TV's petitions to intervene in the case. Rep. Celler (D-N.Y.), chmn. of Judiciary Committee expects an answer this week from Justice Dept., telling why it didn't object to the transactions. It's assumed that Justice will explain that the terms of the consent decree, which governs NBC's purchases, leave no grounds for objection. Celler said that network option time is also entwined with the transactions because "both problems involve network power." "Last year," he said, "the Dept. of Justice stated publicly that option time is illegal *per se* under the anti-trust laws. However, the Dept. has not taken any action. I am deeply concerned about the Dept.'s failure to take action to enforce the anti-trust laws in connection with this most important matter." Though he scolded anti-trust chief Robert Bicks on the NBC deals & option time, Celler still thinks a lot of him. He says Bicks has done a good job of enforcing the anti-trust laws and is certain that the Senate will confirm his nomination as asst. attorney general.

Early-morning fire May 16 completely gutted the studios of WSPA-TV & WSPA Spartanburg, S.C., but caused only slight disruption to TV-program schedule and none to radio. The fire started in the air conditioning equipment and caused an estimated \$250,000-\$300,000 damages, according to Pres. Walter J. Brown. He said the TV station was dark only an hour or so during local program time, and attributed prompt return to air to the "splendid assistance & cooperation" of local & neighboring TV & radio station operators who loaned remote & other equipment so that he could start operations from auxiliary studios at the transmitter sites. He also gave a pat on the back to the telephone company for keeping the network line open. WSPA-TV is on regular schedule, using new RCA equipment rushed by truck from Camden. The only problem now, Brown said, is the hour-long trip to the transmitter site for people appearing on local programs. He said the studios will be rebuilt as soon as possible.

Application for purchase of 1/3 of WHNB-TV (Ch. 30) New Britain-Hartford, Conn. by William Putnam's WWLP (Ch. 22) Springfield, Mass. for \$348,000 has been filed with FCC. WWLP is exercising the option which was part of the original deal when the station was bought from NBC last summer for \$1,044,000 (Vol. 15:26 p3). The FCC approved the sale last Sept. (Vol. 15:39 p9) on condition that option rights held by WWLP not be exercised without prior approval of FCC.

## Programming

**Serving the Public:** Stepped-up pace of public-service activities by many stations—along with increased promotion of public-spirited efforts—is reflected in the upsurge of news about public-interest TV in the last few months. Here are some recent examples:

Consolidated listing of their more uplifting TV programs was published recently by Chicago's 4 commercial stations and mailed to 8,000 schools, churches, legislators and civic leaders, reported CBS-TV stations div. vp & WBBM-TV Chicago gen. mgr. Clark B. George. Results: "We have received requests for more than 600 additional copies of the listings at our station alone. Response to the project has been very favorable at all 4 stations . . . The listings . . . clearly illustrate that during any 30-day period, Chicago TV stations have some 200 very worthwhile programs falling within [the categories of] cultural, informational, educational, sports and top drama programs."

WAVY-TV Portsmouth-Norfolk, Va., will inaugurate a water safety campaign this summer. The station will air announcements and a weekly 30-min. program on the subject, and will hold water safety exhibits in various public places throughout the summer. WAVY-TV is also running a \$25,000 summer-audience promotion contest. Person telephoned by the station must identify a prize on the TV screen, in order to win the item.

WJW-TV Cleveland has started a 39-session course on marriage & the family, entitled *Family Life*, Mon., Wed., Fri. 7-7:30 a.m. It is produced in conjunction with the Family Health Assn. and includes lectures & informal talks by teenagers, parents and grandparents.

KTTV Los Angeles started a 30-min. series on art techniques & famous artists May 8 (Sun. 5-5:30 p.m.). *Art—Just for the Fun of It* will be presented under the auspices of the newly founded American Academy of Art.

WNEM-TV Bay City, Mich. has been cited by the Mich. Education Assn. "for distinguished interpretation & coverage of education through news reports, filmed series, live public service programming and national network presentations during 1959."

KFMB-TV San Diego has won the 1959 Newsfilm Station of the Year award sponsored by the Encyclopaedia Britannica, the National Press Photographers Assn. and the U. of Mo. School of Journalism. The award, presented by John V. Dodge, exec. editor of the Encyclopaedia Britannica, noted particularly the station's "special attention to coverage of local events of significance."

WJXT Jacksonville devoted "over 444 hours of special programs to inform viewers on matters of public interest during the 1959 season," reports the *Washington Post* outlet. In a special brochure, *Awareness 1959*, the station details its cultural, informational and public-service programming, notes the broadcast of "thousands of announcements for scores of organizations, institutions and worthy causes," and indicates "even greater achievements" in 1960.

Praise for TV-radio news coverage has come from the Associated Press. Said AP's annual report: "We commend broadcasting's notable increase in the exchange of news among fellow members." There are now AP-member stations in 692 communities in which there are no AP newspapers, and "two-thirds or more of these stations also are protecting the Association regularly on the news of their areas." The report also said there are now 2,042 TV-radio station AP members.

Questionnaire circulated in Syracuse, N.Y., to explore parental attitudes on TV for children, produced the following general conclusions on TV needs for the American Assn. of University Women: (1) More creative programs for children in the after-school hours. (2) More "family" programs in early evening hours, "to replace the violence & monotony of Westerns." (3) More stimulating programs for pre-teen & teen ages—educationally valuable but challenging & exciting in format. (4) More publicity for excellent existing programs like . . . *Conquest, Young People's Concerts of the N.Y. Philharmonic, G.E. College Bowl, American Heritage.* (5) Greater selectivity by parents in their own viewing, "so that children may be encouraged to develop taste for excellence." (6) Parents to inform themselves about new, valuable programs like the Westinghouse story series, and to make their opinions on existing programs—both favorable & unfavorable—known to local stations & to the networks.

Not violence, but *profusion* of violence is TV's real danger for children it was agreed at an Academy of TV Arts & Sciences panel in Los Angeles last week. Dr. Frances R. Horwich of *Ding Dong School* said there are often as many as 2½ consecutive hours of violent shows. But she added, TV cannot be blamed entirely for juvenile delinquency, as it often is, because this begins at the toddling stage. Mary Field, chairman of The International Center for Films for Children, London, told the panel that in England children's programs shy away from violence. Other panelists were producer-dir. William Hanna and Mrs. Georgiana Hardy, of the Los Angeles board of education. Dr. Frank Baxter moderated.

ABC, CBS and NBC will each spend about \$250,000 equipping their studios at the 1960 Democratic national convention in Los Angeles (July 11-15). Plans are finished for working area locations for 5,500 TV, radio and press newsmen at the Los Angeles Sports Arena, according to J. Leonard Reinsch, exec. dir. of the convention. He said TV will again be handled from the convention floor on a pool basis, ABC handling TV, CBS radio.

Nikita Khrushchev's Paris Summit-Conference walk-out threw a neat wrench into the delicate time-schedule machinery of the 3 U.S. TV networks, but didn't prevent any from providing first-rate reportage. Nearly 14 hours of coverage were provided at an approximate cost (including lost sponsored time) of \$600,000. All 3 networks relied on Eurovision for feeds from Paris to London, where film was taped and rushed, via jets, to the U.S. The earliest films were sent by slow-scan (facsimile) methods via the Atlantic cable (Vol. 15:25 p7).

Entertainment specials are waning in NBC-TV's fall plans. This season they (including such regular "specials" as the Ford series and *Sunday Showcase*) have been totaling about 200. In the coming 1960-1961 season, this figure will drop to less than 100. Rising, however, is the number of NBC-TV specials of a cultural, documentary or semi-news nature. This season, non-fiction and longhair specials on NBC-TV number about 50. Next season, they'll probably be "closer to 75, and with expanded production budgets," we're told by the network.

First group news venture by Corinthian Bestg. Co. will take place in July when Corinthian's 5 TV & 2 radio stations will send a 13-man news team to cover the Presidential elections. Each station will attempt to bring "a regional & local character" to handling of convention reporting.

## Congress

TV-radio money is king of big-league Baseball, according to Pres. Branch Rickey of the fledgling Continental League. Testifying at the opening of Senate Judiciary Anti-Trust & Monopoly Subcommittee hearings on proposals to exempt some sports business from anti-trust regulation (Vol. 16:20 p14), he said major clubs are "prisoners" of unequal broadcasting revenues from games. Rickey, urging enactment of a bill (S-10605) by Subcommittee Chmn. Kefauver (D-Tenn.), posed this question: How can the Washington Senators, with a \$125,000 TV-radio cut, compete for players with the N.Y. Yankees, who got \$1.4 million in 1959? Baseball Comr. Ford C. Frick & other major-club spokesmen denounced what they said were "discriminatory" provisions in the bill, which among other things would permit TV blackouts of major-club games to protect gates of minor-league home games.

FCC fee system by which Commission could pay for part of its operations by collecting unspecified assessments from license applicants is set up in a bill (HR-12268) by Rep. Younger (R-Cal.), a Commerce Committee member. He told us the measure, which also covers other Federal regulatory agencies that don't charge fees now, would correct situations in which "all expenses are paid by the taxpayers" when applicants are granted stations worth millions of dollars. Younger pointed out that SEC now collects 70% of its budget in fees, that operations of the Federal Reserve System are financed by member banks. He said objectives of his bill are supported by the President.

Broad grand jury probe, of influence peddling & conflicts of interest in govt. affairs, has been initiated by the Justice Dept., which filed a notification with Washington's U.S. District Court that it had named 3 attorneys to present cases for possible indictments. The Justice Dept. move followed exposures by the House Commerce Legislative Oversight Subcommittee of *ex-parte* influences on such regulatory agencies as FCC & FPC. But a Justice spokesman told newsmen that it would be a mistake to speculate that targets of the grand jury investigation have also been targets of the Oversighters.

FCC field trips to get more first-hand information about CATV & booster problems would be required under a bill (HR-12297) introduced by Rep. Magnuson (D-Wash.). It would amend the Communications Act's Sec. 303, covering general powers of the Commission, to instruct FCC to "consult with interested persons in small communities & rural & isolated areas on the technical & other problems in providing adequate TV service at a reasonable cost." Magnuson said FCC members aren't doing enough of that now. In fact, he said the Commission has displayed "stubborn opposition" to giving attention to small-town TV needs, and is guilty of bureaucratic sins of "redtape, lack of imagination, more concern for the administrator's problems than those of the people." He said Commission should name 3-5 field consultants to operate from scattered Western offices, traveling around communities and reporting back to Washington.

"Violence on TV" should be kept in mind by House members as they study "the kind of legislation required to correct some of the abuses recently uncovered" by investigations of the industry, according to Rep. Stratton (D-N.Y.). He said such legislation should "protect the impressionable minds of our children" from excesses in shows.

## Film & Tape

**WGA MULLS ZIV-UA TV OFFER:** In another hectic week, the 18-week-old Writers Guild of America film strike saw a defection from producers' ranks, as Ziv-United Artists-TV deserted the Alliance of TV Film Producers to make peace proposals to the writers. Ziv-UA's move stunned most Hollywood producers, who tried their best to dissuade the firm from making any offer on its own.

In a singularly weird situation, most writers were as confused as producers over the fast-breaking, off-again-on-again chain of developments. They liked the Ziv-UA proposal which embraced the plan originally conceived by MCA's Lew Wasserman, calling for abandonment of the present residuals system in favor of giving writers 2.2% of the gross, domestic and foreign. But they were not so certain as to details, and consequently their membership meeting Thursday was recessed to Tuesday to give negotiators time to work on the plan. (The Wasserman plan was first disclosed exclusively in TELEVISION DIGEST April 4—Vol. 16:14 p 12).

Complicating the picture was the election of 4 new members to WGA's TV-radio board, all candidates representing a Guild faction favorable to the Alliance offer rejected at a previous WGA membership meeting. The new makeup of the board could conceivably result in a discharge of the current negotiating committee (which has fought for a percentage of the foreign gross) and acceptance of the Alliance plan.

Even in the utter confusion and chaos emerging from the membership meeting, it appeared finally that the end of the strike was in sight. But no one would predict which plan—the Alliance or Wasserman proposal—would be accepted.

### Unger Proposes 2% of Foreign Gross

The break in the telefilm ranks was signaled when WGA revealed it had an offer from Ziv-UA production chief Maurice Unger. This was a 6-year deal embracing the plan originally proposed 3 weeks ago by Morris Stoller of the William Morris Agency and later backed by the Alliance (Vol. 16:18 p12). But in addition Ziv-UA added 2 years with a 3% hike in minimums and, significantly, 2% of the "absolute" foreign gross. In its defection from Alliance ranks, Ziv-UA had apparently conceded on the crucial issue of the strike—foreign residuals.

As outlined by WGA, the plan called for establishment of a joint fact-finding committee which would work out a Wasserman plan-type formula, giving writers a percentage of the over-all gross. When such a formula was agreed on, it would take precedence over the previous plan involving 2% of the foreign gross. WGA said Ziv-UA agreed the 2% participation in foreign revenue would apply to all telefilms produced during the term of the pact and released abroad after March 31, 1964. In addition, WGA would get a 10% increase in minimums the first 2 years, and another 5% the second 2 years. The plan, conceived by WGA, actually was an amalgamation of the Alliance, Stoller & Wasserman proposals.

Behind the scenes, Alliance producers and others had been aware of the negotiations, and unsuccessful efforts were made to sidetrack the plan. The day WGA announced its deal, Unger told WGA it had "misunderstood" him, that he had agreed to pay foreign compensation on films produced after March 31, 1964, not released after that date. The difference—an important one—meant that

as Unger saw it, he would not pay foreign revenue on films produced from the date the contract was signed, but would pay only on films made after the March 31, 1964 date. WGA had understood him to agree to pay foreign monies on all films produced during the contract period.

As a result of this foul-up, which occurred the day of the membership meeting, there was an emergency session of the WGA council, and the same group which had previously approved the Ziv-UA offer now reversed itself by rejecting it.

At the membership meeting, WGA informed members of the Unger plan, and the area of disagreement. Then, dramatically, Donn Mullally of the negotiating committee came in with another film offer from Unger. He said Unger proposed a different plan, involving a system based on royalty payments (the Wasserman plan). This would give writers 2.2% of gross, foreign and domestic, against \$1,000 advance on half-hour teleplays and \$2,000 on 60-min. scripts. The Ziv-UA offer would be minimum scale, and a fact-finding committee comprised of WGA and Ziv-UA executives would be set up to determine equities of the plan, and go into other details, such as a health & welfare plan. Some members wanted a vote on the new offer immediately, on the basis of the principle even though details hadn't been worked out. However, TV-radio branch Pres. Kay Lenard, who was presiding, called a recess so that board members could caucus. Result was the decision to recess until Tue. (24) to give WGA negotiators a chance to look into the new Unger offer more thoroughly.

Meanwhile, Stirling Silliphant, Richard Collins, Phil Leslie and Fran van Hartesveldt, candidates of the group which originally preferred the Alliance offer, were elected to the TV-radio board, and the ramifications involved here were endless.

#### Producers Split on Unger Plan

In any event, the week was a disappointing one to WGA, since the original Unger offer had raised hopes it would set an industry pattern and end the strike. Among producers, the reaction was varied, some disliking it intensely, others finding some merit in it. Remarked one producer: "It's bad and it's good. You pick up a 6-year deal and only pay a 3% raise in minimums the last 2 years. Aside from the principle involved, the deal itself is not a bad one."

Alliance Pres. Richard Jencks was openly critical of WGA's negotiations with Alliance companies individually, and said it was a violation of the NLRB Act. He asked WGA to resume negotiations with the Alliance, and said its last offer still stands.

#### Other developments:

WGA negotiators rejected a feeler proposal from non-Alliance independents offering writers 2% of the net on foreign residuals, holding to its demand for a percentage of the gross. These groups meet again Tues.

NLRB issued a complaint charging the Alliance with unfair labor practices for refusal to bargain with the Screen Extras Guild. Hearing on the matter will be held June 20. SEG's Alliance contract expired April 2, 1959.

Meanwhile, the screen branch of WGA rejected a proposal from Assn. of Motion Picture Producers to settle its strike, which also began Jan. 16. WGA rejected the major movie studios' contention that pay TV is an extension of the theatrical box office, also was cool to an AMPP offer of \$447,500 for a pension plan in lieu of payments on post-1948 movies.

**No 'Show' in Show Business:** Ad agencies have taken the word "show" out of show business; now it's just plain business—and dull, contends Betty Hutton, whose comedy series leaves CBS-TV after this season. The comedienne, whose series was plagued by a continual turnover of producers, directors and writers, told us: "I would do the series exactly the same again, except I'd eliminate the ad agency. They [Benton & Bowles] wanted to run the show, but I wouldn't hold still for it. I barred them from the set.

"Admen know nothing about our business, yet they're running a fantastic medium. Their agencies are destroying this wonderful field. I got along fine with our sponsor—even wrote commercials for the show. But the agencies want to be wined & dined, and they expect you to scrape before them. I've never seen stars & producers so terrified as they are of agencies. They're absolutely in awe of these idiots. Why? Because they're playing it safe. I am not going to be a hunk of vaseline. I'm open to suggestions for improvement, but not from non-creators.

"I spent about \$100,000 of my own money in attempts to improve the show. I produced, directed, wrote and acted in it, but the people from the agencies don't like it if you tell them the truth. They're not showmen—they're money-grabbers. They don't want any independence in a star—they should get a robot. There are too many people in the agencies in N.Y. and Hollywood who tell you what to do. It's become a plain, cold, tough and hard business to them. You can't handle creative people like that. This is not show business, and I can't work under such tensions. TV should be freed of the mediocrity brought on it by the agencies. But agencies don't like it when you fight against such mediocrity."

Miss Hutton added that she'd had TV offers from several sources, including CBS-TV which wanted her to do her show as a comedy with music. But: "I'm going to quit for about a year. I intend to make \$1 million on a personal appearance tour with my revue."

Highest 60-min. film budgets of the coming fall season may well be those of *The Barbarians*, a 60-min., Mahin-Rackin-NBC co-production series now shooting at Rome's Cinecitta. The producers say they expect each episode to cost at least \$140,000 (due largely to sizable casts, period sets & costumes). In nighttime network TV, Hollywood-made 60-min. filmed series generally cost about \$85,000, a price that's considered the usual break-even level on what sponsors or networks will pay. A few 60-min. series, like TCF-TV's *Adventures in Paradise*, have gone far over budget, but a \$140,000 price for *The Barbarians* might not be covered before a second or third TV run, unless NBC-TV asked for, and got, a near record program price.

San Francisco Television Arts plans to establish that city's first all-tape TV production center in Oct. It has arranged with RCA for Sept. delivery of three 4½-in. image-orthicon cameras, 2 video-tape recorders and transistorized video switching and special effects equipment. The equipment will cost nearly \$500,000. The organization's executives, Lawrence Bedford, John Jerry and Robert Swisher, aim to produce 90-min. dramatic, musical, variety and public-service programming exclusively for TV—also commercials. "The ninety-minute length we plan is the same as most feature length movies edited for TV," Bedford said. "STA productions will compete with movies-on-TV and will supplant these movies as the quality of feature films continues to drop."

## HOLLYWOOD ROUNDUP

Top writers Rod Serling and Leon (*Exodus*) Uris, became involved in a dispute last week over the merits of Serling's *Playhouse 90* drama on CBS-TV, "In the Presence of Mine Enemies," a story of the Nazi massacre of 500,000 Jews in the Warsaw ghetto. After seeing Serling's play, Uris wired CBS Pres. Dr. Frank Stanton that it was "the most disgusting dramatic presentation in the history of American TV. It is incomprehensible to me that such an insult, slander and affront was allowed to be perpetrated upon the Jewish people . . . I demand that CBS burn the negative and publicly apologize for this outrage." Annoyed and angry, Serling told us, "I have my own criticisms of the production and of the script, but to accuse me of anti-Semitism is blatantly ludicrous & absolutely undeserved."

Total of \$2,337,848.65 in TV film residuals was collected & distributed to members by Screen Actors Guild during the 6-month period ended April 30. This brought the cumulative total of residuals earned since Dec. 1953 to \$14,407,967.13. SAG is also distributing to members \$615,000 paid for TV release of 82 post-1948 RKO movies and \$172,500 for 12 post-1948 Warner Bros. features. Deals for these packages were made several years ago, before the recently-signed contract with the major studios whereby no payments will be made on post-1948 films.

About \$15,000 in residuals was paid to 38 musicians, copyists and sideline men on the past-season Gene Kelly show after it was rerun recently. The residuals represented 75% of first-run payments. The program had originally been seen on CBS-TV in April 1959; the rerun appeared on NBC-TV May 13.

Tape will be used on some *Twilight Zone* episodes on CBS-TV next season. Producer-writer Rod Serling, whose Cayuga Productions films the show, told us Colgate has bought 26 segments with an option for 10 more, plus 13 reruns. Conferences are determining how many will be on film. "Some will be taped to keep budget down," he said.

Producer Les Hafner and Dennis O'Keefe have formed Hafner-O'Keefe productions for TV & movies. Their *Dennis O'Keefe Show*, on CBS-TV this season, will be placed in rerun next season by United Artists TV. The partners own almost 50% of the 39 episodes.

Jack Wrather Organization has signed a rental deal to film 35 new *Lassie* episodes at Desilu Gower beginning July 15. Robert Golden is producer.

Bonnaker Productions has been formed by Bill Friedberg, Neil Simon and Edward J. Montagne to film TV series, and has rented space at Republic studios . . . Don Sharpe has given Lever Bros. a 7-day option for the renewal of his *Mr. Lucky* series.

People: David Heilweil named producer of Desilu's *Guestward Ho*, starring Joanne Dru . . . Howard A. Singer appointed asst. to NTA Pres. Oliver A. Unger . . . Arthur Fellows has joined Quinn Martin's QM Productions as a production executive . . . Robert Bassler to produce 60-min. *Route 66* series for exec. producer Herbert Leonard's Lancer Productions and writer Sterling Silliphant's Edling Productions . . . Herbert Hirschman, ex-*Perry Mason* producer, will produce 20th-Fox TV's *Hong Kong*, starring Rod Taylor.

## NEW YORK ROUNDUP

Grand Jury payola boom was lowered May 19 in N.Y. by District Attorney Frank S. Hogan, who arrested 5 local DJs and 3 radio station employes on charges of taking a total of \$100,000 in under-the-turntable loot for pushing certain rock & roll records. Those now facing future trial, but paroled in the meantime, with stations where they work or were working at the time of the alleged violations: Alan Freed, WABC & WINS N.Y.; Peter Tripp, WMGM N.Y.; Tommy Smalis, WWRL N.Y.; Hal Jackson, WLIB N.Y.; Jack Walker, WOV & WLIB N.Y.; Mel Leeds, WINS N.Y.; Joseph Saccone, onetime record librarian, WMGM N.Y.; Ronald Granger, onetime record librarian, WINS N.Y. Hogan's move culminated a 6-month probe by his office, during which books of 86 firms were examined and 70 music-industry figures testified before a grand jury.

National Telepix Co., recently-formed distributors of silent screen films for TV syndication (Vol. 16:16 p9), has launched its first package: 40 of a total of 78 Hal Roach "Our Gang" oldies, renovated with original music, sound-effects and narration. Other recent NTC developments reported by Pres. David Dietz: Arthur Jarwood was named distribution vp; S. Olman has been elected secy.-treas.; home office hq has been established in N.Y. with sales offices in Los Angeles, Chicago, Dallas and Miami; NTC stock is now available in over-the-counter trading. NTC's backlog includes 500 silent films featuring old timers Will Rogers, Laurel & Hardy, Charley Chase, Ben Turpin, others.

WCBS-TV N.Y. will schedule the first televised religion courses for college credit starting June 6. Two 15-week series, *Introduction to Biblical Thought*, and *Religion & Modern Literature* will be televised Mon.-Sat., 6:30-7 a.m. in cooperation with the Protestant Council of N.Y.C. & the N.J. Council of Churches.

Screen Gems' promotion dept. is circulating an unusual mailing piece for *Ivanhoe*. "To demonstrate the merchandising possibilities of the costume series," the promotion is a board game in which each player's "knight" has to make his way through the forest. *Ivanhoe* has been sold in 36 markets to date.

Screen Gems' *The Donna Reed Show* has resumed production for next season . . . Producer Eugene B. Rodney and Robert Young (*Father Knows Best*) will produce six 60-min. specials next season . . . Green-Rouse Productions will produce *Alice in Wonderland* series for Screen Gems.

NTA's *Play of the Week* series, currently in syndication, has been drawing blue chip sponsors in each of the markets where it's seen, according to NTA exec. vp Harold Goldman. Sponsors include, in addition to Standard Oil of New Jersey, American Motors Corp., Studebaker-Packard Corp., P&G, National Carbon Co., P. Lorillard Co., Colgate-Palmolive Co. and Sears, Roebuck & Co.

MCA-TV's mystery-adventure series, *Shotgun Slade*, was sold to R. J. Reynolds (William Esty) for 3 markets in Virginia, Wisconsin and N.Y. state last week.

People: Hal Golden has been named vp & sales dir. MCA-TV . . . Howard A. Singer has been appointed asst. to Pres. Oliver A. Unger at NTA . . . Berton Schneider is named Screen Gems dir., business affairs . . . Robert J. Northshield has joined NBC's *Today* series as program mgr.

## Advertising

**Film Festival Winners:** An audience of agency & film executives gathered May 20 in N.Y. for the grand awards luncheon staged by the first American TV Commercials Festival & Forum. Winners selected by a bleary-eyed committee of 50 agency men, editors and producers from a starting field of 1,327 TV commercials:

**Best Canadian-produced commercial:** J. Lyons Tea (Robert Lawrence, Toronto).

**Best local TV commercial:** Minneapolis Gas Co. (Playhouse)

**Best tape commercial:** United Motors Service, for Delco Batteries (NBC Telesales).

**Best introductory billboard:** Tennessee Ernie Ford Show (Playhouse).

**Best auto commercial:** Chevrolet, "Family shopping tour" (Robert Lawrence).

**Best auto accessory commercial:** Delco (as above).

**Best apparel commercial:** Chemstrand, for Nylon stockings (Elliot, Unger & Elliot).

**Best appliance commercial:** GE, "Elaine May & Mike Nichols refrigerator-freezer spot" (NBC Telesales).

**Best baked-goods commercial:** Standard Brands, for Fleischman's Yeast (Elliot, Unger & Elliot).

**Best beer-wine commercial:** Renfield importers, for Martini & Rossi (Elliot, Unger & Elliot).

**Best breakfast cereals commercial:** Kellogg, for Rice Krispies, "Sounds of Morning" (Robert Lawrence).

**Best cigarettes-cigars commercial:** Dutch Masters, "Haydn spot with Ernie Kovacs" (ABC-TV, Hollywood).

**Best coffee-tea commercial:** General Foods, for Maxwell House, "Percolator" (TV Graphics).

**Best consumer service commercial:** Minneapolis Gas Co. (as above).

**Best cosmetics-toiletries commercial:** Pharma-Craft for Fresh deodorant (Elliot, Unger & Elliot).

**Best dairy-products commercial:** American Dairy Assn., "Remember the AlaMode" (TV Spots Inc.).

**Best gasoline-oil commercial:** Union Oil of Cal., "Cutout" (Universal-International).

**Best household cleansers commercial:** Lestoil Corp., "Penetrating agent" (Robert Lawrence).

**Best home furnishings & maintenance commercials:** Drackett Co. for Dran-O. "Wrenches" (Sarra).

**Best institutional commercial:** GE, "Where Does the Money Go?" (producer not listed).

**Best jewelry-sports-toys commercial:** Elgin Watch Co. (Sarra).

**Best meat products commercial:** Buring Packing for King Cotton Sausage (Fred A. Niles, Chicago).

**Best paper-wraps commercial:** Kaiser Aluminum, for Kaiser Foil (Stan Freberg co-production with Playhouse).

**Best pet foods commercial:** Calo pet food, for Calo cat food, "Tiger" (Cascade).

**Best pharmaceuticals commercial:** Johnson & Johnson, for Sheer Strip band aids (On Film, Inc.).

**Best prepared foods & mixes commercial:** Durkee Foods, for instant mixed onion (Fred A. Niles, Chicago).

**Best soft drinks commercial:** Seven-Up, "Old Movie Kitchens" (Ray Patin).

**Best travel-transportation commercial:** Northwest Orient Airline (Desilu).

**Best 8-10 sec. ID commercial:** Lestoil Co. (Robert Lawrence Animation).

\* \* \*

**FTC Chmn. Earl W. Kintner** made a plea at the festival for "professionalism" in advertising to counter "the present threat to public confidence" in the trade. He said a professional adman is one who is willing to: (1) "Respectfully disagree with one's clients." (2) "Tell one's clients forthrightly that there are severe objections to a proposed course of action." (3) "Present an unobjectionable program." (4) "Resign from the service of the client if he persists in following a course of action that would violate the ethics of his advisor." Kintner said it sometimes seems to him that "advertisers are the last to weigh the American audience at its true value," but that: "Certain it is that today's consumer is aware, and that he resents being patronized as an unsuspecting boob."

## Obituary

**William L. Shinnick**, 51, former Young & Rubicam vp, died May 15 of a heart attack at Jupiter Inlet, Fla. Surviving are his wife and 2 sons.

## Educational Television

**Skornia Leaving NAEB:** Veteran educator & broadcaster Dr. Harry J. Skornia last week announced his resignation, effective this fall, as pres. of the National Assn. of Educational Bcstrs. He plans to devote full time to TV-radio teaching at the U. of Ill. Dr. Skornia has been with NAEB since 1953, initially as exec. dir. He became pres. last fall when full-time paid presidential post was created.

A NAEB nominating committee has been formed to recommend presidential candidates. Its members: educational WHA-TV Madison (Wis.) program dir. William G. Harley; Ohio State U. TV-radio bestg. dir. Richard B. Hull; NAEB gen. legal counsel Leonard Marks; radio WBAA Lafayette, Ind. dir. James Miles; and educational KCTS-TV Seattle mgr. Loren B. Stone. The new pres. will take office in Oct., at the conclusion of NAEB's national convention in San Francisco.

National Educational TV & Radio Center begins its 3-day meeting at the LaSalle in Chicago today (May 23). Pres. John F. White will outline the proposed widening of services to the expanding network (46 affiliates) and prospects for increased financial support for educational TV from industry. Programs vp Robert Hudson will discuss with station managers coverage of the Presidential campaigns, and increased foreign programming on the NET network resulting from his trip to Poland, Czechoslovakia and other European countries.

KQED San Francisco will conduct its 6th annual fundraising TV auction on 5 consecutive nights starting May 31.

## Technology

New image-orthicon camera tube, introduced by GE at the Parts Show in Chicago last week, is claimed to produce a better picture by minimizing darkness & distortion at the sides & corners of the screen. The improved performance, said GE, is due to a field mesh in the scanning section of the tube. Designated GL-7293, it's interchangeable with the 5820 studio image orth, and is now available in sample quantities at \$1,300.

RCA low-light color-camera tube which requires no greater lighting for color pickup than for b&w (a la GE's GL-7629 image orthicon—Vol. 15:49 p8), was announced last week by Pres. John L. Burns. "We feel that this development represents a real breakthrough in color TV technology," he said, reporting the completion of "highly successful field tests" in Boston. Burns noted that WGN-TV Chicago "already has one camera equipped with the tube" for colorcasting Cubs & White Sox baseball games. Four of the tubes have been ordered by NBC.

## Foreign

International Festival of TV Arts & Sciences, first TV trade fair in Switzerland, will be held in Montreux May 15-27, 1961. Applications by U.S. exhibitors are due before July 31 at festival offices, Grand-Rue, Montreux.

TV in Cambodia is planned by the govt. there, which seeks bids until June 20 for network equipment at Phnom Penh. Specifications are available at the Cambodian Embassy, 4500 16th St., N.W., Washington, or from the Ministère des Travaux Publiques, Direction des Postes et Télécommunications, Phnom Penh.

## Television Digest

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**Personals:** Oliver Treyz, ABC-TV pres., elected an AB-PT dir. . . . Martin Brown, AB-PT asst. treas. and ABC vp & asst. treas., elected AB-PT treas. . . . Richard D. Windatt named financial vp, Wometco Enterprises; Arthur Hertz named comptroller . . . Edward Bleier promoted from account exec. to daytime sales vp, ABC-TV.

Russ Coughlan promoted from sales rep to gen. sales mgr., KGO-TV San Francisco, succeeding David M. Sacks, recently named gen. mgr. . . . Ben K. West, ex-WTVP Decatur, Ill., named gen. mgr., KOCO-TV Oklahoma City . . . Arthur T. Faircloth promoted to sales mgr. WRC-TV Washington . . . Saul Messer appointed asst. dir. of accounting, CBS-TV, Hollywood . . . Otto A. Goessl named ad & promotion mgr., KERP-TV & KERP El Paso, Tex., succeeding Jack McElrath . . . Paul Bain named PR & promotion dir., KOB-TV & KOB Albuquerque.

T. Harold Scott, FTC legal advisor whose assignments have included TV-radio monitoring supervision, nominated by President Eisenhower to Indian Claims Commission . . . Victor E. Bluedorn resigns as exec. dir., Sigma Delta Chi, to return to journalism; Floyd G. Arpan, recently named to journalism professorship at Indiana U., temporarily named acting administrator . . . James Higson, program dir. of KHG-TV Los Angeles, resigned to form Higson-Frank radio enterprises with Peter Frank . . . Ken Welch resigned as WOOD-TV & WOOD Grand Rapids, Mich. public affairs & production dir., for health reasons. Carol Duvall replaces him as public affairs dir.; Charles Leigham named TV production dir.

Donald N. Martin, ex-NAB PR chief, appointed exec. dir. of European Travel Commission, retaining his N.Y. PR firm, Donald N. Martin & Co. The Commission comprises representatives of all 21 Western European nations and is designed to promote tourism. Martin reports that within 3 years a million Americans will have spent \$1 billion annually in Europe.

Meetings next week: International Advertising Assn. 12th annual congress (June 1-3), Waldorf Astoria, N.Y. . . . Assn. of National Advertisers workshop on advertising administration & financial control (1-2), Westchester-Biltmore, N.Y. . . . Western Assn. of Bcstrs. (Canada) annual meeting (2-4), Banff Springs Hotel, Banff, Alta.

Irving Gitlin is moving from CBS News, where he has held the post of program executive, creative projects, to NBC. He has been a creative newsman at CBS for the past 14 years. His new NBC News title will be exec. producer, creative projects. Gitlin has been responsible for the creation of some of CBS-TV's glossiest public-affairs shows, including *Twentieth Century*, *Conquest*, *Woman!*, *The Last Word* and *The Great Challenge*, along with numerous specials. Announcement of Gitlin's move came from NBC News vp William R. McAndrew.

Nine TV-radio scholarships totaling \$4,450 are offered to students & graduates of N.C. & S.C. high schools by the Jefferson Standard Foundation—established in 1951 by Jefferson Standard Bcstg. Co.'s WBTW & WBT Charlotte, and WBTW Florence. The major grant is a \$2,500, 4-year scholarship for study in the creative aspects of TV-radio at the U. of N.C. Five \$100 scholarships also are offered for the University's annual high school TV-radio institute. The other awards are 2-year grants for technical study of TV-radio at Charlotte College and at Gastonia (N.C.) Technical Institute, a summer-session scholarship for study at the Transylvania Music Camp, Brevard, N.C. Since its inception, the Foundation has awarded more than \$60,000 in scholarships & student loans.

RAB budget of \$2.2 million was predicted for 1965 at a directors meeting in N.Y. May 17. By doubling the present budget, RAB Pres. Kevin Sweeney reported, "additional income at the rate of \$650,000 annually is anticipated in 5 years from expanded supplementary services RAB will offer its members." RAB hopes to have 1,900 members by 1965, Sweeney added.

Folksy, party-line informality that marked radio in the 1930s is not entirely gone from the medium, reports *Sponsor*. In a town in the Northwest there's a daytime small-watter run by the widow of the station's founder. After opening up the day's schedule with local news and gossip, she tells the listeners: "Sorry to leave you, but I have to go down and sell a little advertising and do some shopping. If I'm not with you at noon, it's because my boy, Ronnie, has been ailing and I want to make sure he has a good warm lunch."

### Obituary

Ted R. Gamble, 54, pres. of Mount Hood Radio & TV Bcstg. Corp. (KOIN-TV & KOIN Portland, Ore.), died May 18 of a cerebral hemorrhage in San Francisco. He was national chmn. of the War Finance Committee during World War II. Prominent in civic affairs, he was a past Junior and Senior First Citizen of Portland. He was awarded the Medal of Merit by President Truman for his War Bond work. Before entering TV-radio, he was pres. of Northwest Theatrical Enterprises and of his own coast-to-coast theater chain. Surviving are his wife, a son and 2 daughters.

Louis E. Caster, 63, pres. of WREX-TV Rockford, Ill. and KOCO-TV Enid-Oklahoma City, co-holder of a CP for Duluth Ch. 10 and past pres. of the American Institute of Baking, in which industry he also had wide interests, died May 15 of a heart attack in Rockford. His wife survives him.

Anthony Leighton, 45, ABC photo div. mgr., died May 19 in N.Y. after a long illness. He is survived by 2 sons and a sister.



# Trade Report . . . .

MAY 23, 1960

**MOTOROLA'S 19-IN. CORDLESS TV:** Self-powered portable TV is impractical without large screen for direct, multi-person viewing, Motorola has always insisted, sluffing off earlier small-screen developments. Last week, Motorola revealed what it was driving at—a completely transistorized, big-picture 19-in. cordless TV that operates a minimum of 5-6 hours on one charge of its rechargeable (at least 500-times) silver-cadmium energy cell.

Motorola is already producing its 19-in. cordless "Astronaut" for early-June delivery to distributors. TV set is priced at \$275; energy cell is \$88 extra. "Astronaut" is a 2-in-1 portable, also operates as a standard TV from 120-volt power source. Consumer-products exec. vp Edward R. Taylor told us production this year will be in "tens of thousands." Cordless TV, along with Motorola's complete 1961 TV line (see page 20) was unveiled for Eastern distributors May 16-17 at Grossinger's. Midwest distributors saw it May 19-20 in St. Louis; West Coast distributors get the picture this week (23 & 24) in Beverly Hills.

We viewed "Astronaut" at Grossinger's, came away impressed by its styling, performance, pricing and obvious impact on distributors. Grossinger's is more justly renowned for food & entertainment than for its TV reception. Hotel is about 100 miles from N.Y., gets less than best TV reception. However, "Astronaut," which generates 15,000 volts of picture power, produced a good, clear picture. Actually, picture performance was better on battery than on AC, but this was attributed to probable voltage drop caused by numerous appliances operating on Grossinger's power system.

Distributor enthusiasm both during & after set unveiling was impressive. Consensus of distributors we spoke with later was that Motorola has come up with an image-builder that is bound to enhance its reputation for engineering, attract customers to dealers' stores, produce ample sales on its own. Our own opinion: 40-pound "Astronaut" is not final answer to cordless TV, but it will certainly do—and do well—until something better comes along. We think Motorola's got a traffic-builder in this one. (For details & data on "Astronaut," see page 20).

**3 TV MAKERS UNVEIL 1961 LINES:** TV's "New Faces of 1961" had its first showings last week as Motorola, RCA and GE introduced new lines to distributors. RCA's showing was limited to 13 new color TVs; complete 1961 color and b&w line will be unveiled this week (25-28) in Miami. Motorola & GE showed broad b&w lines which feature 19s & 23s, accent on high-end merchandise. Sensation-maker of 3 showings was Motorola's 19-in. cordless portable TV (see story above).

Indicative of 1961 TV trends, each of the 3 lines incorporates first TV-radio-stereo theater models. Motorola unveiled industry's first 19-in. consoles. GE introduced a transistor sonic remote control for low-end sets, retains transistor radio remote for deluxe TVs. Both bonded & non-bonded tubes are well represented. All of GE's 19s & 23s are non-bonded. Motorola uses Corning bonded throughout, except for 19-in. "Astronaut" & 23-in. stereo theater. Consumer products exec. vp Edward R. Taylor contends that the bonded tube shows off "new look" of TV to better advantage, but told us that economy of non-bonded tube, which he estimated at \$2-3 at factory, could change Motorola's thinking.

For details on these 3 new TV lines, see pp. 20.

**TV-RADIO PRODUCTION:** EIA statistics for week ended May 13 (19th week of 1960):

	May 6-13	Preceding wk.	1959 week	'60 cumulative	'59 cumulative
TV .....	103,861	103,432	98,343	2,210,448	1,985,666
Total radio .....	315,619	316,261	269,812	6,330,385	5,152,224
auto radio .....	115,443	110,266	119,725	2,488,291	2,018,771

**GE'S DAVIS HEADS EIA:** L. Berkley Davis, vp-gen. mgr. of GE's electronic components div., was elected president of EIA May 20 at the 36th annual convention in Chicago. He succeeds Raytheon vp David R. Hull, who headed the manufacturer group for 2 years and received EIA's Medal of Honor for outstanding contribution to the electronics industry at the annual award dinner May 19.

Davis, at 48, becomes the 38th EIA president and the 2nd GE official to hold that post—former electronics vp W. R. G. Baker having been 1956-58 president. Davis began his electronics career in 1934 as an engineer for the former Ken-Rad Tube & Lamp Co. which was acquired by GE. His components div., headquartered at Owensboro, Ky., is composed of the cathode-ray tube, receiving tube, semiconductor products and power-tube depts., and the advanced planning operation.

New EIA vps elected last week were Ben Adler, Adler Electronics, for EIA's industrial electronics div., succeeding C. Russell Cox, Andrew Corp.; and W. S. Parsons, Centralab div. of Globe Union, for the parts div., succeeding Russell E. Cramer Jr., Radio Condenser Co. Re-elected were exec. vp-secy. James D. Secrest, gen. counsel John B. Olverson, treas. Leslie F. Muter, senior vp Robert S. Bell, and vps Sidney R. Curtis & Arthur L. Chapman.

Eight new EIA directors were elected by the 5 product divs.: Consumer products, C. J. Witting, Westinghouse; military products, David F. Sanders, Lockheed Electronics; tube & semiconductor, Mark Shepherd Jr., Texas Instrument; parts, Allen W. Dawson of Corning Glass, Allen K. Shenk of Erie Resistor, and Walter Slocum of International Resistance; industrial electronics, Ben Adler of Adler Electronics, and Howard C. Briggs of Collins Radio.

New division chairmen & vice chairmen: Consumer products, Edward R. Taylor, Motorola, chairman, succeeding Marion E. Pettegrew. Military products, L. L. Waite, North American Aviation, chairman; Richard B. Leng, Packard Bell, & G. T. Scharffenberger, Westrex, vice chairmen. Parts, W. Myron Owen, Aerovox, chairmen; J. A. (Shine) Milling, Howard W. Sams & Co., vice chairman. Industrial electronics, Irving Koss, Motorola, vice chmn.

New plants & expansions: Eitel-McCullough will add 60,000 sq. ft. to its San Carlos, Cal. plant (for a total 240,000 sq. ft.) and 23,000 sq. ft. to subsidiary National Electronics' Geneva, Ill. facilities (for a total 66,000 sq. ft.) in a \$1,350,000 expansion program to be completed this year . . . Globe-Union will begin building this fall, at a Delaware site still to be selected, a \$1.5 million, 110,000-sq.-ft. battery plant . . . Itek Corp. has begun construction of a 7-building center (totaling 400,000 sq. ft.) in Lexington, Mass. which eventually will consolidate operations now at 3 separate locations in Waltham & Boston.

Canadian TV gained in March, as distributor sales to dealers increased to 26,420 units from 25,732 in March 1959. However, the March volume was down from Feb.'s 28,564, and the Jan.-Mar. cumulative continued to trail the year-ago totals—79,801 TVs vs. 89,174. The first-quarter breakdown (corresponding 1959 figures in parentheses): portables, 13,361 (14,637); table models, 15,994 (27,585); consoles, 46,652 (43,161); combinations, 3,794 (3,791). For March 1960 (vs. March 1959): portables, 5,680 (4,860); table models, 5,306 (7,222); consoles, 14,481 (13,078); combinations, 953 (572).

**MORE IMPORTS SHOWN:** Foreign-made TV, hi fi & radio was more in evidence than ever at last week's Parts Show. And more & more, the imports are being served up without an apology. We're beginning to hear the phrase, "fine Japanese craftsmanship," used to describe many products.

Not that Japan is the only source of imports. In the hi-fi and tape-recorder fields, as in former years—only more so this year—the parts show has become a veritable world-trade fair, with equipment offered from Britain, Germany, Holland, Belgium, Switzerland, Italy, Austria, Sweden & France. But Japan is still the only foreign country offering a real competitive threat in a mass-production home-electronics field.

Whether the Japanese will make any inroads into the U.S. TV field was a point of sharp debate at the Parts Show. One of the largest importers of Japanese radios, tubes & parts—the Sampson Co. (Hitachi line)—took direct issue with such importers as Delmonico International, now assembling complete Japanese TV lines (Vol. 18:20).

Sampson showed a Hitachi production-model color set (which incidentally produced excellent color & monochrome pictures). No other TV sets were displayed by Sampson, and Pres. Robert L. Sampson made it quite clear he has no plans to import any black-&-white sets. "To sell an imported set," he told us, "you either have to offer a set as good as an American one for a lower price, or a better one for the same price. We don't think you can do this with black-&-white TV." He dismissed the impending crop of 8-in. battery sets as novelties, too expensive & too small.

Color is something else again, in Sampson's view. The Hitachi set displayed at Chicago's Sheraton-Blackstone Hotel was obviously too bulky for American homes, and we were told that freight charges alone on such a set would amount to \$45-60. But Sampson hopes to import Hitachi color chassis, mount them in American cabinets, probably with American tubes, to hit the market in fall.

The price? Not yet known, but Sampson implied his company hopes to match the price of RCA's low-end color sets with the heavy-duty super-duper Hitachi set, which he compared in quality & performance with RCA's high-end "Mark" series. He said he has had inquiries from private-brand merchandisers about the Hitachi color chassis.

Japanese sets aren't the only TV imports. Majestic International has been doing a quietly good business for several years with high-end German Grundig TV-radio-phono-recorder units. Of a combination which lists at \$1,995 (although it is often sold quite a bit lower), vp Sam Jenkins told us: "We've sold thousands of 'em." Nevertheless, Grundig's 2 TV combinations (the 2nd is a 24-in. set at \$2,995) are being replaced by lower-priced 23-in. models—probably the first 23-in. sets to come from abroad.

Majestic will soon offer its first TV-only model—a 23-in. console in the \$500 range. And a 23-in. combination will list at about \$800, picture tubes in both cases being made by Telefunken or Siemens & Halske for Grundig.

\* \* \*

What are the next big items in the consumer electronics import field? Judging by the displays at the Parts Show, we would say that both Japan & Europe are aiming at 2 relatively new fields—portable tape recorders & portable AM-FM radios.

We saw nearly a dozen different Japanese & European makes of tiny transistorized recorders—many no bigger than a cigar box—list-priced anywhere from under \$100

to over \$200. Many were developmental samples. AM-FM portables were being pushed, too, and most distributors seemed to think they'd find a place on the consumer market. Most are list-priced well over \$100.

Japanese hi-fi components (amplifiers, tuners) are seen in greater abundance, but they don't seem to be making any really impressive headway on the market against well-known U.S. brand-name components. One unique item demonstrated at the Parts Show was "the world's first fully transistorized AM-FM stereo tuner," made by Sony and distributed by Kingdom Products Ltd., N.Y., at \$159.95 list. The 12-transistor unit plugs into the power line, and in this case the transistors are claimed to supply stability & freedom from heat, rather than portability.

Perhaps the most unusual item offered at the Parts Show was a compact "fish camera" by Nippon Electric Co., offered by Sampson. Made to sell at about \$200 to amateur or professional fishermen, the transistorized sonar-type gadget draws the outline of fish detected underwater, indicating its depth on a graphic scale.

Japanese tubes & components again were displayed by Sampson and Channel Master, with several large component houses carrying Japanese & American lines.

German packaged hi-fi merchandise is still going strong here, according to importers, despite reports to the contrary. Majestic vp Jenkins told us his company's first-quarter sales (mostly Grundig products) were 27% ahead of the same 1959 period. "We grossed \$20 million last year," he said. "This year, we're shooting for \$25 million. If the present pace keeps up we'll wind up ahead of that."

Philco's new consumer-product lines will be shown to dealers by closed-circuit TV, just before the TelePrompTer showing of the Johansson-Patterson heavyweight championship fight. Philco has contracted for a minimum of 25,000 tickets at \$5 each for its dealers to view the fight in hotel ballrooms in key cities (Vol. 16:20 p9). The pre-fight new-line presentation will take 60 minutes. Philco will sponsor a 30-min. ABC-TV pre-fight show 10-10:30 p.m. the night before the bout.

Stromberg-Carlson announced its entry into the "on-premises" background-music business last week at the Parts Show in Chicago. S-C will supply long-playing tape decks manufactured especially for it by Concertone, amplifiers, speakers and a specially selected tape music library. An optional feature is an automatic tape device which inserts pre-recorded commercials or announcements between musical selections.

Sylvania TV sales at the factory set a record for the month of April and for the first 4 months of this year, Sylvania Home Electronics Corp. Pres. Peter J. Grant said last week. April sales were 43% greater than in April 1959, and 4-month sales were up 22% from the 1959 period, he stated, adding that radio sales for the year through April are 21% over 1959.

IUE wants to start negotiations early—in June or July—on a new contract with GE to replace the one which expires Oct. 1. So said union Pres. James B. Carey last week at a Boston news conference. He said a poll of GE & Westinghouse workers indicated the most important issues in order of preference: (1) Employment security, including supplementary unemployment benefits. (2) Improved pensions. (3) General wage increases ("at least 3½% annually.") (3) Continuation of the cost-of-living escalator.

**EIA Kills Stereo Drive:** Like its companion TV-promotion campaign (Vol. 16:12 p19), EIA's proposed stereo de-confusion program died last week from a severe case of manufacturer disagreement compounded by disinterest.

Meeting at last week's convention, EIA's consumer-products div. overruled the recommendation of its phonograph section for a limited public stereo-information campaign. Following refusal of several major phono makers to go along with the program, the phono section (L.M. Sandwick, Pilot, chmn.) voted for a far smaller-scale program, centering around a study of the advisability of issuing a booklet giving straight facts on stereo, for distribution by manufacturers, distributors & dealers.

But at the later meeting of the consumer-products div. exec. committee, even this limited program—which would have cost about \$5,000 initially—was dropped after long debate. Consensus of the committee was that the program wasn't definite enough.

In a relatively uneventful meeting, the consumer-products div. reviewed a reply from FCC to its request that the Commission insist that imported radios meet the same radiation standards required of U.S. sets. FCC agreed to the request, but stated it plans to work toward this goal through foreign embassies rather than through manufacturers outside the U.S.

In his annual report, outgoing consumer-products exec. committee Chmn. Marion E. Pettegrew reported TV sales for the last 12 months totaled 6.1 million (up 17% from year ago), radios at 9.3 million (up 10%), auto radios 6.5 million, phonos 4.7 million (up 10%). Consumer electronics, he said, "appears to be headed for another good year in 1960, with all major categories ahead of 1959." Pettegrew was succeeded as chairman by Motorola's Edward R. Taylor, Packard Bell's Robert S. Bell continuing as EIA vp for the division.

\* \* \*

Other EIA convention actions:

(1) The credit committee reported a gain of 15% in the number of electronics firms "experiencing financial difficulties" in the year ended March 31 compared with the like 1958-59 period, for a new high. One-third were component manufacturers, followed by makers of test equipment & instruments. Only one manufacturer of TV or radio receivers was in trouble during the year. During the 12 months, 63 new distributorships were formed, vs. 30 in the preceding year.

(2) The educational coordinating committee announced preparation of an educational TV guidebook, a non-technical volume giving an "authoritative & up-to-date treatment of broadcast & closed-circuit TV as they apply to education."

FM car radio was introduced at the Chicago Parts Show last week by Eric Engineering Co., Santa Monica, Cal., to retail at \$99.95. The compact set has 6 tubes, 6 germanium diodes & 2 transistors, uses a 6 x 9-in. Jensen concert speaker. Frequency response of 60-15,000 cycles is claimed, along with 10 watts output & automatic frequency control. The same company also offers an FM converter to play through an automobile AM radio at \$79.95.

Why buy a car radio? That's the pitch being made by R-Columbia Products, Highwood, Ill., for a new gadget—"Cardio master"—introduced last week at the Parts Show. The \$4.95 device grips any transistor radio firmly, holding it to the car dashboard with a powerful permanent magnet.

### **More about**

**1961 TV LINES:** The first look at 1961 TV, provided last week by Motorola, GE and RCA, left little doubt that this will be the year of the "square look," in 19- & 23-in. sizes. The new lines also reflect greater industry attention to public desire for variety, gimmicks & gadgets, and furniture-styled high-end merchandise. Motorola unveiled its line to distributors (with MCA-produced shows) at Grossinger's and in St. Louis last week, will continue on the West Coast this week (23 & 24). GE had a showing in Syracuse. RCA raised the curtain on its color line at Las Vegas, before 700 Western distributors & dealers. Here's the rundown on the new models:

#### **Motorola Shows First 19-in. Consoles**

Highlights of Motorola's 1961 TV line include its 19-in. cordless portable, five 19-in. consoles, two 19-in. table models and a portable, thirty 23-in. models, and its first TV-stereo theater. Except for the TV combination, Motorola showed no stereo equipment and won't until a separate showing in late August. We attended the Grossinger's meeting, and consumer products exec. vp Edward R. Taylor told us separate shows are essential for effective introduction of today's large home-entertainment lines.

Motorola's 19-in. consoles (the Harbinger series) range in suggested list from \$279.95 to \$289.95. The 19-in. table carries a \$219.95 tag, and is also available in a wireless remote-control version at \$259.95. The sole tube-type 19-in. portable lists at \$199.95. The 23-in. line is available in a standard series, ranging from a \$229.95 table to a \$319.95 swivel console; a deluxe series, ranging from a \$299.95 console to a \$499.95 lowboy model with wireless remote; and two 23-in. combinations with 4-speed stereo hi-fi, priced at \$525 in walnut and \$550 in cherrywood. An FM-AM radio tuner is available optionally at \$89.95. Motorola's 1961 Drexel-furniture TV series also features the 23-in. look, in models ranging from the \$429.95 "Dutchess County" to the \$600 "Triune." Drexel merchandising vp David J. Brunn, told the distributors that Drexel has progressed from a \$2-million volume pre-war to \$40 million in 1959. He told us later that Motorola accounts for about 10% of that volume.

The 19-in. models (except the all-transistor cordless portable) utilize a plated-circuit chassis that produces 20,000 volts of picture power. The 23-in. TVs use a hand-wired, transformer-powered chassis, featuring a new Motorola-designed video amplifier tube, which produces up to 23,000 volts of power in models with 90-degree tubes.

Motorola also is holding over 14-, 17-, and 21-in. models, some of which were dropped-in last March. Uhf is \$30 extra.

Taylor also had good news about Motorola's distributor-to-dealer sales. Projecting to June from June 1959, he reported these gains: TV 20%, stereo 25%, portable radio 105%, table radio 81%, clock radio 88%. In 1960's first 4 months, portable & home radio sales are up 70% over a year ago, stereo is up 43%. For industry in 1960, Taylor forecast these gains: 6.5 million b&w TV sales, 70% increase in stereo, 15% for portable radios, 20% clocks, 10% tables, 15% autos.

He told the distributors that there have been "interesting changes" in the color-TV situation, but that the market is still miniscule, with peak annual sales of under 100,000 sets. Motorola is "watching" and will be ready when the market is ripe. Incidentally, among the scuttle-

butt picked up at the Grossinger's session: Motorola is progressing on a single-gun color tube.

Motorola also showed its table & clock radio lines, including one FM-only set (\$49.95), 2 FM-AM table models.

#### **GE Has 22 Basic TV Models**

TV at GE in 1961 will be represented by 22 basic 17-, 19-, 21- and 23-in. models ranging from about \$169 to \$629. The TVs use the same 2 chassis in GE's current line. The new line also marks GE's entry into the combination TV-stereo field, with a 23-in. model. Approximately half of the TV line is in 23-in. models, topped by 2 deluxe furniture models which will retail at \$450 & \$525.

GE also announced broad lines of portable & console stereo phonographs for fall availability. The console line embraces 7 basic models with a total of 21 variations in style, finish and features, ranging to a high of \$650. The stereo portables comprise 5 basic models & a total of 6 sets ranging in price from \$49.95 to \$169.95. The portable line also includes a single-channel automatic model (RP-1112), with 4-speed changer, which carries a suggested list of \$59.95. A feature of the phonograph line is the "Vacu-Magic," a development which GE says vacuum cleans records while they're playing. Dust picked up by a stylus-mounted brush is sucked in by an "acoustically-sealed vacuum cleaner" and passed through a tube into a container in the interior of the cabinet. The "Vacu-Magic" is featured in the top-of-the-line "Canterbury" and "Mount Vernon" series of consoles.

#### **RCA Unveils 13 New Color Sets**

Thirteen color TVs, including its first color TV-stereo-radio combo, were unveiled by RCA last week. Six of the models incorporate a 7-function remote control. Like the 1960 line, RCA's new models begin at \$495. At the same distributor-dealer showing, NBC color-sales executive Paul Klempner reported that NBC-TV color programming in 1960 will total 920 hours, up 27% over 1959. Summer colorcasting will increase 16%. The fall lineup, he said, starting the first week in Nov., will be up 31% over the year-earlier color volume.

Pres. John L. Burns attended the RCA preview in Las Vegas and let the Western distributors in on some news. Before year's end, he said, RCA will establish the nation's first center for "radical experimentation with advanced styling concepts which can eventually be incorporated into the whole range of home instruments." The style center, working in concert with RCA's advanced engineering center now operating in Princeton, N.J., will develop new concepts of design & technology for TV, stereo and other home entertainment equipment as far ahead as 1970.

"In developing this program," Burns said, "we are bringing together a small group of front-rank industrial designers who will oversee & evaluate developments in the world of art, interior decorating, fashion and furniture. Any developments that look promising will be tried out immediately . . . Just as the styling center will concentrate on improving the outsides of our home instruments, the engineering center is focusing on improving the insides."

Test-marketing of Jerrold's "Magic-Carpet" flexible printed-circuit TV antenna has been successful, distributors were told last week at the Parts Show in Chicago. Jerrold introduced the item to parts distributors at the show. List-priced at \$9.95, the 6 x 2½-ft. unit is designed for attic or under-the-rug installation.

**More about**

**MOTOROLA'S 19-IN. BATTERY TV:** The self-powered 19-in. "Astronaut" (Model 19P1) unveiled by Motorola last week as the world's first large-screen, all-transistor portable TV (see p. 17) seemingly packs the styling, power and picture size essential for a successful journey to market. Consumer-products exec. vp Edward R. Taylor views the development as "the practical beginning of the evolution from tubes to transistors in the TV industry"—an evolution he calculated would take about 4 years.

The Astronaut's appearance is trim. Its face is its 19-in. non-bonded Kimble picture tube, shielded behind a plastic safety plate. The tube & chassis are encased in a form-fitting fiberglass cabinet which is covered with a scuff-resistant, washable material. Dimensions: 15½-in. high, 18-in. wide, 12¾-in. deep, including a removable front cover which serves to protect the picture tube during transport. Total weight: 40 pounds, including its 5-pound silver-cadmium energy cell.

In a technical nutshell, the Motorola cordless TV is powered by 23 transistors & 12 diodes. It uses a 114-degree, 19AEP4 picture tube. The tube is a standard 19XP4 bulb with modified electron gun to permit low G2 voltage (100 volts) without increasing spot size or defocusing the picture. Filament power requirements are reduced to 12.6 volts at 150 ma. to avoid excess battery drain. The low G2 voltage permits full-contrast range with only 50 volts of video driving signal, well under the maximum output of the transistorized video amplifier. The net result is 15,000 volts of picture power.

Heart of the portable is its silver-cadmium energy cell, supplied by speciality power-supply maker Yardney Co., Long Island, N.Y. The 5-pound cell, described as a miniaturized version of a type used in missiles, jets & satellites, will operate 5-6 hours on a single charge. The cell can be recharged at least 500 times. The recharging occurs automatically by plugging the TV's line cord into a home AC power outlet. The regeneration process automatically cuts out when the cell is fully charged. Recharge time: 3 hours for each discharge hour.

Taylor said that the all-transistor Astronaut uses 500% less current than comparable tube TVs and has 300% less heat rise. Both the set & energy cell carry a 1-year warranty. All operating controls are topside. He said uhf strips for the transistor tuner also are available.

Federal fair-trade bill, approved nearly a year ago by the House Commerce Committee but tabled in April by the Rules Committee (Vol. 16:17 p16), is being pushed again by its author, Commerce Chmn. Harris (D-Ark.). Pleading for support for his measure (HR-1253), he filed a motion to discharge the Rules Committee from further consideration of the bill so that it may be brought to the floor for a vote. Harris said the proposed law would protect "small business from the onslaught of unrestrained, cutthroat competition of large chainstores, dept. stores and discount houses which have been flourishing as a result of a breakdown of effective state fair-trade laws."

New technical manual, *Tabulation of Data on Receiving Tubes*, has been published as National Bureau of Standards Handbook 68. Compiled from manufacturers' published specifications, the manual (110 pp., \$1) is available from Supt. of Documents, Washington 25, D.C.

**CHANNEL MASTER'S NEW CHANNELS:** Channel Master of all trades—with plenty of jack. That's the leading manufacturer in the TV-antenna field, which has successfully diversified into other branches of consumer electronics, and which expects some day to be in the TV-set business itself.

Think of Channel Master, you think of antennas. Yet, surprisingly, less than half of its gross last year was in antennas & accessories. The firm, headquartered in pleasant Ellenville, N.Y., is entirely owned by the Resnick brothers—Pres. Harry, Chmn. Joseph & vp Louis. In 1959 its gross sales were about \$33 million. Only \$20 million of this was represented by electronic equipment sales to distributors. The other \$13 million, by & large, was in by-products—sales of aluminum products, principally to the summer-furniture industry. For Channel Master has its own complete aluminum mills in Ellenville.

Of the \$20 million in electronic equipment sales, antennas & accessories represented about \$11 million. The remainder was accounted for by its relatively new electronic products—mostly radio imports, tubes & hi fi.

Channel Master has been in the radio business for nearly 2 years, importing transistor radios made by Sanyo, one of Japan's top producers. In the last year, according to electronics-sales mgr. Sam Schlusel, the company sold 500,000 radios.

Taking advantage of strong distributor loyalties to its products—loyalties which showed up strikingly last week at the Parts Show in Chicago—Channel Master has built up a radio-sales program with a warranty, servicing & parts program that'd do credit to any U.S. radio maker.

**Warranties, Parts & Service Available**

Channel Master radios don't compete with the cheapest. They're sold through standard retail outlets, and they're backed by a written 90-day warranty. And Channel Master's parts-jobber distributors carry a complete stock of all replacement parts for the Japanese-made sets, each part boxed & unmistakably labeled. For universal servicing, Channel Master sets are diagrammed in the Howard W. Sams Photofact service, and Sams-designed service manuals are also available for each set.

The company's component hi-fi line is being distributed on a 2-step basis—through distributors to retail outlets—rather than the one-step (distributor to public) basis which has characterized most component hi-fi sales. Its line consists of U.S.-made AM-FM tuner and stereo amplifier, a Japanese-made transcription-type phono turntable (already being used by some radio stations as well as hi-fi hobbyists) and Japanese speakers with American-made enclosures. The line is short & relatively inexpensive, and will be the subject of a sales push this year.

What's next? Picture tubes. With its sturdy distributor setup (it already has a line of Japanese-made receiving tubes), Channel Master believes it can make a nice profit in this traditionally feast-or-famine business. After a West Coast marketing test in which it handled picture tubes made by others, Channel Master has decided that it must do in the CR tube field what it is doing in antennas—build them from the ground up.

A 50,000-sq.-ft. picture-tube plant is being built in Port Jervis, N.Y.—"the most modern in the world"—with a capacity of 1,500 tubes a day. The company, keeping its supply lines short, will sell the tubes (all new, with re-used glass) only to distributors within a 700-mi. radius of Port Jervis. If the company decides to expand its picture-

tube operations, other plants will be opened to serve other parts of the country.

"We'll probably be in TV itself some day," said Schlus- sel, displaying an 8-in. transistorized prototype battery set manufactured by Sanyo. But he indicated that his company isn't at all sold on the small-screen approach, and that even these tiny sets wouldn't be available on a mass basis this year. He didn't know if Channel Master would ever handle the midget battery set which he had on hand to test distributor reaction.

Sales of Channel Master's first product, the TV antenna, are still high, said Schlus- sel. "They've leveled off to a high plateau—not like early days, but still very good."

Unlike many privately-held electronics companies, Channel Master has "absolutely no plans" for a public stock issue. "We can raise all the money we want through private sources," we were told.

**Component Hi Fi Slow:** Most manufacturers of hook-'em-up-yourself audiophile component hi-fi equipment displaying at the Parts Show in Chicago agreed that this year's sales so far have been about the same as last. In other words, okay, but not as good as expected.

Some blamed limited distribution. Hi-fi components are generally sold to the public by parts distributors or special audio dealers who buy direct from the manufacturer, and there was talk by some manufacturers of beginning "2-part distribution"—that is, sale through regular distributors to many of the same outlets which now handle packaged hi fi.

Philco formally entered the component hi-fi field with a set of components which will be handled largely through its regular distributors. Its initial line includes an AM-FM stereo tuner at \$149.95, a stereo amplifier at \$184.95 and "Stereo-Phone" mid- & high-range speakers at \$59.95, plus 12- & 15-in. woofers.

Tape-recorder manufacturers generally agreed that sales for the past 12 months had picked up somewhat. Unlike last year, when talk of stereo-tape cartridges plunged recorder makers & the manufacturers of pre-recorded tape into deepest gloom, the feeling this year was that the coming of cartridges isn't throwing consumers into confusion.

Only one manufacturer showed tape-cartridge machines—and that was Bell Sound Systems (Thompson Ramo Wooldridge), with 6 models designed for the RCA-type cartridge, beginning with a tape player at \$99.50. A spokesman said these had been "moving extremely well."

A representative of United Audio Tapes, big Ampex-controlled pre-recorded tape distributor, told us that business in "open-reel" (non-cartridge) taped music has been very good, and that dealers & public are no longer thrown into panic at the announcement of new tape-cartridges system such as the 3M-CBS and Armour Research Foundation developments announced in March (Vol. 16:13 p18).

Perhaps some of this is whistling in the dark—because it's inevitable that there will be a clash between the cartridge & the open-reel approach. Neither 3M nor CBS—both of which had displays at the Parts Show—demonstrated their new tape system. Even RCA's tape display featured the standard open reels rather than cartridges.

But the truce was uneasy, and it's a good bet that infighting will flare up July 10-12 at Chicago Music Show.

New model Fleetwood TV, designed for custom installation by Conrac Inc., uses Sylvania 23-in. bonded tube with diffused no-glare safety panel.

**REPORT FROM JAPAN:** The Japanese transistor industry has over-extended itself by setting up more productive capacity than it can immediately use. That statement was made by director Donald S. Parris of the Electronics div. of Commerce Dept.'s Business & Defense Services Administration at the EIA annual convention in Chicago last week. Parris had just returned from a one-month trip to Japan (Vol. 16:20 p17).

At the same time, Parris's office released a tabulation of Japanese electronics-production statistics for 1957-59, showing that last year's total output was valued at \$935.7 million, nearly double the \$497.9 million of 1958 and up from \$362.2 million in 1957. (The complete table, with U.S. electronics industry comparisons, will be printed in these pages next week.)

One figure stands out sharply in the tabulation of Japanese production: Japan passed the U.S. last year in number of transistors produced—by 86,500,500 to 82,294,000 made in this country. (Japanese figures are total production; U.S. are factory sales.)

Parris predicted that Japanese transistor output will increase further this year—judging by the "tremendous pace" of capacity build-up. He compared the Japanese transistor expansion with the U.S. TV industry in the early and mid-'50s—when "everybody was building TV plants until we had far more capacity than we could use." He said there are also indications of over-expansion of TV & radio production facilities in Japan—which turned out 2,873,000 TVs & 10,025,200 radios (vs. 6,349,380 TVs & 15,622,000 radios produced in U.S.) last year.

"I don't think the Japanese can crack the American TV market," said Parris in answer to a question from the floor—pointing to high shipping charges because of weight & bulk, import duty, etc. He was met with disagreement from several manufacturers. Parris thinks hi-fi components—tuners, amplifiers, speakers—will be the next big competitive Japanese export item, and the step-up in hi-fi imports at Chicago's Parts Show provided confirmation.

As to Japanese wage rates—they're not really as low as they appear to be at the first glance, he declared. In addition to the regular (and highly publicized) low hourly wages, he pointed out, the Japanese traditionally have many fringe benefits—including the tradition of a bonus equal to 2 to 4 months' pay every 6 months. "The basic wage rates are really only a fraction of the labor costs."

Like other electronics specialists who have visited Nippon, Parris was particularly impressed with the quality of the products and the research & development being carried on in Japan. "They're not just copying," he said. For example, he saw a model of a home video-tape recorder being developed by Sony. "The quality of the picture was very good," he stated, "although the recorder isn't nearly ready for production yet."

He said he had talked with govt. officials about the coming voluntary export quotas on transistor radios, but he couldn't predict the outcome. The Japanese Electronic Industries Assn. has asked for export quotas equal to 1959's shipments to the U.S. of 3,990,000 radios with 3 or more transistors, but there are some in the govt. who favor a lower quota.

Seeking a policy on imports, the EIA board at week's end recommended that gen. counsel John B. Olverson review all existing proposals to cope with the situation and come up with a plan that the Association can sponsor. A report by EIA's international dept. exec. committee, under

acting Chmn. Ray C. Ellis, had recommended that a special group be formed from all EIA divisions to develop a policy toward imports. This was considered a complete about-face for this division—composed of companies active in the export market—which has traditionally taken a laissez-faire attitude toward import control of any kind.

Ellis indicated that exporters feel the problem is now completely different from that of a few years ago when the electronics industry's "balance of trade"—exports over imports—was about 40 to 1. In the first 9 months of 1959, Commerce Dept. figures indicated this balance had dropped to 5 to 1, and was still on the way down (Vol. 16:2 p18).

National Electronic Distributors Assn. elected these officers last week in Chicago: V. N. Zachariah, Zack Electronics, San Francisco, chmn. Mauro Schifino, Rochester Radio Supply, Rochester, N.Y., pres. Roy J. Schneider, Walder Radio & Appliance, Miami, first vp. Rubin Green, Green Tele-Radio Distributors, Brooklyn, 2nd vp. Sam Poncher, Newark Electronics Co., Chicago, industrial vp. Mayer Spiro, Meyer's Electronics, Bluefield, W. Va., secy-treas. Gail S. Carter, formerly NEDA executive officer, was elected exec. vp.

Phono record sales by manufacturers last year totaled \$230,520,000, a 16½% increase over the \$197,776,000 in 1958, the Record Industry Assn. of America estimated last week on the basis of Internal Revenue excise tax figures.

**PHONO SALES UP 30%:** Retail sales of phonographs during the first 3 months of this year were 30% higher—in number of units—than in last year's relatively poor first quarter. In dollar volume, the increase probably was considerably greater, inasmuch as more than 75% of the units sold to the public this year were stereo, while in the same period last year, only about 45% of the sales were stereo. These facts are indicated in official first-quarter EIA figures, released last week.

March saw the usual seasonal dip from Feb. this year—and then some. Total March retail sales of phonos were only 11% higher than March 1959. March 1960 retail sales totaled 210,746 stereo & monaural units, while the March 1959 figure was 279,652.

The production rate of phonos has slowed down somewhat to keep pace with sales, according to the figures. For the first quarter of this year, total factory sales (1,181,036) were lower than retail sales (1,278,526). Last year, with great expectations, factories sold 1,002,298 units, while only 997,899 sets were moved at retail during the first quarter.

Here are the first-quarter monthly stereo & mono phono sales figures for 1960 & 1959 as tallied by EIA:

	1960		1959	
	Factory Sales Mono	Factory Sales Stereo	Retail Sales Mono	Retail Sales Stereo
January .....	118,400	341,329	150,688	368,964
February .....	90,854	324,666	100,268	347,860
March .....	63,264	242,523	61,249	249,497
<b>TOTAL .....</b>	<b>272,518</b>	<b>908,518</b>	<b>312,205</b>	<b>966,321</b>
	1959		1959	
	Factory Sales Mono	Factory Sales Stereo	Retail Sales Mono	Retail Sales Stereo
January .....	184,147	177,336	231,429	159,214
February .....	164,873	188,750	171,127	156,477
March .....	119,075	168,117	139,577	140,075
<b>TOTAL .....</b>	<b>468,095</b>	<b>534,203</b>	<b>542,133</b>	<b>455,766</b>

**'Future Unlimited'—Hull:** The electronics industry's potential for expansion is "unlimited," outgoing EIA Pres. David R. Hull said in his annual report last week. "Not only will we double our sales in the next decade," he said, but "with every new technical breakthrough, new opportunities for industrial expansion arise."

The 2 biggest industry problems facing EIA in the last 12 months, he said, were the Walsh-Healey minimum-wage determinations and the competition from Japanese imports. In the wage proceedings, "thanks to the prompt action of EIA and the solid support of our membership, we prevented the electronics industry from being forced to pay substantially higher wages through coverage of most of our military products in a proposed new aircraft-industry definition." He added this would have cost electronics manufacturers \$500 million to \$1 billion a year. Walsh-Healey determinations still remain uncertain in the component, tube & semiconductor, and electronic equipment fields.

He called the Japanese radio flood "just the beginning of a broader invasion of our markets." Commenting on the present export quota proceedings in Japan (Vol. 16:20 p17): "I am pleased to see that the Japanese are aware of this problem and appear to be taking steps at least to slow down their U.S. exports of electronic products... If so, the efforts of EIA over the past year will not have been in vain."

EIA, with about 350 members, has shown a net gain in membership of only about 12% since 1950, despite the rapid growth of the industry and of the services provided by the Association, Hull said. While new members have been added at the rate of 30-40 a year, "our losses from [company] mergers, acquisitions and departures from the industry have greatly reduced our net gain."

**Trade Personals:** O. John Hayles, ex-Pyle National (Canada) Ltd. and onetime chief of Sylvania's Canadian TV-radio manufacturing operations, rejoins Sylvania as gen. mfg. mgr. of its home electronics div., succeeding Harry H. Martin, promoted to corporate dir. of purchases; James H. Brewster III promoted from Sylvania Electronics military mktg. vp to operations vp, Sylvania Electronic Systems, succeeded in military mktg. by Frank D. Langstroth, ex-Philco and formerly with Sylvania; Frank H. Russell, ex-Lenkurt Electric, named Sylvania Electronic Systems ad mgr. . . . Herbert L. Brown, Ampex, reelected pres. of Magnetic Recording Industry Assn. at the annual meeting May 19 in Chicago; all other officers were reelected . . . E. Wallerstein, Everest Records, elected to MRIA board . . . Lester L. Kelsey, ex-Stewart-Warner and Hallicrafters, appointed to new post of vp & merchandising mgr., Traveler.

Edward P. Sykes Jr. named mktg. dir., Stromberg-Carlson's commercial products div.; Henry M. Wales named govt. relations mgr., S-C's Western region; Jerome E. Johnson named Western regional mgr., automotive product sales, commercial products div. . . . George Y. Wheeler II, RCA Washington vp, resigns, continues duties pending selection of successor, will become RCA consultant. Meanwhile, he has offered political services to Adlai Stevenson "for whatever chores he may want to give me" . . . Curtis R. Hammond named to new post of commercial sales development dir., Raytheon . . . Hilmer Lindahl appointed radio bst. equipment vp, International Radio & Electronics Corp. . . . Albert Belge, ex-Aro Equipment Corp., named mfg. engineering mgr., International Resistance Burlington, Ia. div.; Harry Johnson named senior sales engineer, control components div.

## Finance

**AB-PT Looks Up:** Second-quarter results of AB-PT will be better than last year's. AB-PT Pres. Leonard H. Goldenson so informed the company's stockholders in N.Y. May 17. Reviewing 1959's record sales and first-quarter 1960's record earnings (Vol. 16:17 p20), he said: "The most significant progress in our operation has been in TV." He noted that the 1960 evening schedule for the fall quarter on ABC-TV "is already over 80% sold out."

Theater business is "somewhat softer currently in this quarter," he said, principally because of the recent SAG strike which caused extended release schedules.

Although music-industry figures Gloria Parker and Barney Young (who in recent seasons have been a stormy influence at network shareholder meetings) were present, there were remarkably few fireworks. Miss Parker rose to read a resolution proposing that AB-PT divest itself of its holdings (some 3% of the total, according to Goldenson) in Broadcast Music Inc. because BMI "pushes rock & roll stuff that encourages sex." Young followed-up with a request that the BMI stock be sold "at a proper price." Then came a surprise move by Goldenson. "Are you prepared to make us a firm offer in writing from a substantial group for the stock? If so, we will be glad to consider it," Goldenson told Young, who quickly sat down. (The Parker-Young duo have suits pending against CBS & NBC, charging monopoly practices in the music field thru BMI.)

Paramount Pictures reports a decline in earnings in the first quarter compared with the year-ago period. In the table below, the 1960 net includes a special income of \$754,000 (45¢ a share) derived mainly from installments on the sale of the pre-1948 library. The 1959 net includes a special income of \$2,327,000 (\$1.35), derived from the sale in Jan. 1959 of Paramount holdings in Metropolitan Bcstg. Corp. (formerly DuMont Bcstg. Co.). Consolidated report for 13 weeks ended March 31:

	1960	1959
Net income .....	\$1,699,000	\$3,645,000
Per common share .....	1.02	2.11
Common shares .....	1,672,398	1,727,316

20th Century-Fox Film Corp. posted healthy revenue & profit gains in the 13-week period ended March 26 and seemingly is headed for "one of the best years since I have been president [19 years]," Pres. Spyros Skouras reported last week. For 13 weeks ended March 26:

	1960	1959
Gross income .....	\$28,653,252	\$27,609,189
Net income .....	1,602,282	929,976
Per common share .....	69¢	41¢
Common shares .....	2,338,536	2,293,186

Warner Bros. reports less profit on higher revenue in the first half of fiscal-1960. In the table below, the net income reflects profit on sales of capital assets of \$196,000 in 1960 and \$707,000 in 1959. The consolidated report for 6 months ended Feb. 27:

	1960	1959
Film rentals, etc. ....	\$45,983,000	\$40,373,000
Net income .....	3,422,000	4,626,000
Per common share .....	2.27	2.91
Common shares .....	1,504,000	1,585,196

Reports & comments available: AB-PT, report, Shearson, Hammill & Co., 14 Wall St., N.Y. 5; analysis, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . Varian Associates, report, White, Weld & Co., 20 Broad St., N.Y. 5 . . . Newark Electronics Corp., prospectus, H.M. Bylesby and Co., 405 Lexington Ave., N.Y. 17.

Walt Disney Productions reports a net loss for fiscal-1960's first half. The company attributed the loss to the fact that 2 of its major TV shows were not telecast during the period and to "disappointing earnings on recent theatrical releases." Although a pickup in income is anticipated for the 2nd half, the company forecasts "net earnings will be substantially below the level of last year." For 26 weeks ended April 2:

	1960	1959
Total income .....	\$18,805,820	\$23,430,211
Net income (loss in '60) .	(90,485)	906,485
Per common share .....	—	57¢
Common shares .....	1,626,023	1,581,011

Federal Pacific Electric Co. reports a net income of \$2,905,416 (\$1.94 a share after preferred) on sales of \$74,296,500 in the 9 months ended March 31. For the quarter ended March 31, the net totaled \$839,792 (54¢) on \$24,007,030 sales. The per-share earnings are based on 1,441,534 shares of common; 581,040 shares are excluded. The financial report includes the operations of recently-acquired Cornell-Dubilier Electric Corp. (Vol. 16:7 p24), and comparative figures for the year-ago periods are not available.

Movielab Film Labs Inc., N.Y. TV & movie-processing firm, plans public sale of 100,000 Class A common stock shares, 62,500 to be offered by the company, 37,500 by Pres. Chmn. Saul Jeffee, according to an SEC registration statement (File 2-16549). Underwriters of the offering, in which 5,000 shares will be reserved initially for Movielab employees, are headed by Granbery, Maraché & Co. Proceeds would be used for additional equipment & working capital.

Foto-Video Electronics Inc., Cedar Grove, N.J. developer of TV operating & test equipment and closed-circuit systems, plans a public offering of 125,000 class B common stock shares at \$4 per share through D. F. Bernheimer & Co. Inc. In an SEC statement (File 2-16507) the company said \$100,000 of the proceeds would be used for research & development, \$200,000 for working capital, the balance for sales promotion.

Martin Co. now holds 14% of the voting stock of General Precision Equipment Co., which it purchased on the market at a cost of around \$10 million, Martin Chmn. George M. Bunker told the N.Y. Society of Security Analysts in a talk recently. He said a merger was "a possibility—but there is nothing now in the works."

General Instrument Corp. & General Transistor Corp. have agreed in principle to merge, subject to further study & stockholder approval. The proposed terms would exchange 7/10 of a share of General Instrument common for each outstanding share of General Transistor common.

Skiatron Electronics & TV, scheduled to submit a defense brief to SEC last week in its stock-registration case (Vol. 16:18 p21), obtained a week's delay until May 26 at the request of counsel James M. Landis.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AT&T .....	Q	\$0.82½	Jul. 11	Jun. 10
Dresser Industries ....	Q	.30	Jun. 15	Jun. 1
Famous Players Canada	Q	.37½	Jun. 10	May 25
Globe-Union .....	Q	.25	Jun. 10	Jun. 2
Hazeltine .....	Q	.20	Jun. 15	Jun. 1
Newark Electronics "A"	New	.06¼	Jun. 30	Jun. 15
Standard Radio Ltd. ..	Q	.15	Jul. 8	Jun. 17
Storer Bcstg. ....	Q	.45	Jun. 15	Jun. 3
Storer Bcstg. "B" ....	Q	.12½	Jun. 15	Jun. 3
Time Inc. ....	—	.75	Jun. 10	May 26
20th Century-Fox .....	Q	.40	Jun. 30	Jun. 15



# WEEKLY **Television Digest**

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Stations

**WESTINGHOUSE AFFILIATION-TAX CASE** heard in N.Y. Tax Court appeal. Govt. seeks nearly \$1 million back taxes. WBC testifies to value & fragility of affiliation contracts, seeks fast amortization (p. 1). Dept. (p. 12).

### Congress

**SENATORS UNEASY ABOUT FCC 'COMPLAINTS' PLAN**, fearing invasion of programming. Ford insists there's no thought of "censorship" (pp. 2 & 6). Dept. (p. 14).

### Networks

**SEATTLE 'DUAL AFFILIATION' IS CBS ANSWER** to long-standing anti-trust suit of KTNT-TV Tacoma-Seattle. After June 1, both that station & KIRO-TV will be network's outlets in the market (p. 3). Dept. (p. 14).

### Film & Tape

**GLOBAL TELEFILM MARKET** will gross \$37.5 million for American producers this year (pp. 4 & 7). Our exclusive Background (No. 7) presents prices paid, special restrictions, dubbing requirements for nations around the globe (p. 8).

**WGA REJECTS LATEST PEACE BID** but ad agencies are reported to be moving to settle & end the strike (p. 10).

**FOUR STAR & REVUE** tied for lead as producers of network series; Revue is still No. 1 in production, via syndicated series (p. 11).

### FCC

**LEE CONFIRMATION IN DOUBT** as Senate Commerce Committee again passes over renomination to FCC. Outlook for FTC Chmn. Kintner also uncertain (p. 4). Dept. (p. 5).

### Manufacturing & Distribution

**U.S., JAPANESE OUTPUT** comparison for 1959 shows Japan produced 66% as many radios, 44% as many TVs as U.S. Table shows contrasts in unit output, price (p. 16).

**REVERBERATION—NEW GADGET** in Philco & Zenith stereo lines—gives "concert hall" feeling to music, based on Hammond Organ's electronic delay line (p. 16).

**PROBLEM FOR IMPORTS:** Approval by Underwriters Labs essential for sale of TVs in many markets, but procedure for gaining UL seal is complex & expensive (p. 17).

**RCA'S 1961 B&W TV** line features 30 models in 17-, 19-, 21-, & 23-in. sizes; introduces Henredon-made furniture-cabinet line which includes color model (p. 18).

**EIA MEMBERS** seek FTC rules on foreign component labeling; board makes legislative proposals; other EIA actions (p. 18).

**ELECTRONICS EXPORT BEEFS** are filed by industry spokesmen at Commerce Dept. conference on foreign trade problems. Situation worsening, they say (p. 19).

**RETAIL SALES** of TV up 16% over last year, radio up 23% in first quarter. Rises over last year shown at all levels, including uhf TVs & FM radios (p. 19).

### Auxiliary Services

**UHF BOOSTERS OKAYED BY FCC.** New rules allow uhf stations to put up co-channel repeaters to fill holes within Grade A contours. No action yet on vhf boosters (p. 6).

### Other Departments

**PROGRAMMING** (p. 13). **ADVERTISING** (p. 13). **PERSONALS** (p. 15).

**WESTINGHOUSE'S AFFILIATION-TAX CASE:** Hundreds of millions of dollars in station values & profits ride on tax appeal heard in U.S. Tax Court, N.Y. May 24—in which Westinghouse Bcstg. Co. contested govt.'s ruling that the value of network affiliations can't be amortized.

This key case is the first appeal involving a TV affiliation contract. It has been avidly followed by industry ever since Internal Revenue Service turned down WBC in 1957 (Vol. 13:35 p6) in Ruling No. 57-377, Aug. 26. Govt. seeks \$985,782 in back taxes for 1953-54, saying WBC owes that sum on the earnings of its KYW-TV Philadelphia.

Westinghouse presented only one witness, govt. none, and the case is "in"—except for filing of briefs Sept. 21, replies Oct. 21.

Background of case: In 1953, WBC bought KYW-TV (then WPTZ) from Philco for \$8.5 million. It allocated \$5 million of price to NBC-TV affiliation contract; sought to amortize it at rate of \$1 million annually for 5 years. Internal Revenue Service refused to accept WBC's bookkeeping; disallowed it. Govt.'s theory was that an affiliation is nearly permanent because a station is as important to a network as the reverse—if not more so. IRS ruled that intangible assets are subject to tax depreciation if they have value "for only a limited period." Since NBC-TV cancelled KYW-TV affiliation 2½ years after WBC took over (before swapping NBC's

Cleveland stations for WBC's Philadelphia outlets), the appeal now seeks amortization of the \$5 million over 2½ years instead of 5.

Station broker Howard Stark was WBC's witness last week—and WBC attorneys' questions were designed to show: (1) An affiliation is extremely valuable to a station. (2) NBC-TV affiliation was worth \$5 million more than one with ABC-TV in 1953. (3) A station can't assume it will keep affiliation indefinitely. (4) Competition can increase as more stations are assigned to cities by FCC. (5) Value of affiliation can decrease because of other industry developments—such as pay-TV, etc. Hence—TV affiliations are both valuable & impermanent, and rapid depreciation of their value should be permitted.

Stark testified that \$8.5 million was fair price for WPTZ in 1953, using as a formula 5 times station's 1952 earnings of \$1.9 million before taxes.

Attesting to fragility of affiliation, Stark noted that WBC in 1953 faced danger that a network might buy own outlet in Philadelphia—and in fact both NBC & CBS later did so.

Govt. attorneys cross-examined Stark very briefly, seeking to show that network needs a particular affiliate as much as affiliate needs network—and that network is really a "customer" of affiliates. They got little satisfaction out of Stark.

Case was heard by Judge Russell E. Train, and observers thought WBC had put its & industry's case in excellent light. Much hinges on his decision, for IRS regional offices have been coming up with variety of interpretations of law, some more favorable to stations—and all appeals to courts are being delayed pending WBC decision. WBC was represented by Albert Connelly & George Tyler of Cravath, Swaine & Moore, N.Y.

**SENATORS UNEASY ABOUT FCC 'COMPLAINTS' PLAN:** FCC's proposed 25-man watchdog Complaints & Compliance Div. had a real down & up session before Senate Appropriations Subcommittee last week. After first day's hearing, chance of FCC's getting necessary \$300,000 seemed bearish. Next day, however, in rather impromptu unscheduled session, prospects brightened. At any rate, Chmn. Magnuson (D-Wash.) ended hearings with remark to the effect that when Committee comes to write its report it will make clear its views on FCC's program-investigation role—which sounds like a bullish comment.

In first day's hearing, Magnuson was a different man from the irate Senator who, wearing other hat as chmn. of Commerce Committee, recently lambasted FCC for not keeping tabs on industry, for not seeking funds to "monitor" station activity (Vol. 16:18 p3).

"What bothers me," he said last week, "is the danger of getting into censorship & programming. I've seen these things get started. It would be almost a police organization to police the industry. However, I'm not passing judgment yet."

Absolutely no censorship is in FCC's mind, Ford stated emphatically. He said that Commission wants to check such things as false representation, inadequate sponsor identification, etc. For example, he said, Commission would look into cases where licensees told FCC they'd spend 90% of their time running stations—but would "then spend 90% of their time in Fla."

If the federal govt. gets into examining what is good & bad in programming, he said, "the system would be complete chaos." FCC seeks to "compare programs with representations, not content," he added.

Ford said Commission needs investigators to find out what's going on in industry. It had not known anything about payola, he noted. Very drily, Magnuson remarked: "That's the understatement of the year."

Sen. Allott (R-Colo.) was the other member of Subcommittee similarly concerned. He said he had seen programs with "salacious situations as bad as profanity or obscenity." However, he said, he didn't know how to draw the line, noting that others would come along with judgments differing from his. Like Magnuson, he said he wasn't committing himself one way or other on the \$300,000.

There was considerable discussion of "falsification of logs." Magnuson wanted to know if these are "willful," implying that there's no great dereliction if they're not. Otherwise, he said, "the FCC should revoke their licenses." Ford repeated: "We just don't know. We don't have facilities to check."

"If you have field hearings," Magnuson asked, "how are you going to get away from programs? You'd have to hire a hall. Everyone has an idea on programs."

An organization of 258 ex-FBI men has offered to help FCC, Magnuson told Ford. It aids National Assn. of Security Dealers and Thoroughbred Racing Assn. and "would save the govt. some money."

FCC's proposed uhf experiment in N.Y. (Vol. 16:17 p3) received relatively little attention. Most important angle was that Magnuson asked for & got FCC's assurance that it would keep industry informed of the work and enlist its cooperation. Sen. Robertson (D-Va.) was bearish about uhf, said he had tried to discourage his son who seeks to operate a religious-type uhf in Norfolk. Robertson also wanted to be sure that the N.Y. uhf doesn't give "free advertising for cigarets & beer." Comr. Lee noted that city has few uhf sets.

Magnuson asked whether FCC is investigating program ratings. Ford said it has "no active project," though it has conferred with FTC which is probing subject. Then Magnuson said: "My other committee wants to turn some jobs over to you." Ford replied that Commission would be glad to help. In audience was Walter Winchell, who has had some caustic things to say about ratings.

Magnuson then turned to FCC's workload & backlog. Comr. Hyde assured him "we're getting further in the hole all the time." Hyde reiterated Commission's constant complaint: Congress has so loaded FCC with "due process" procedures that it can't get its work done. Magnuson was sympathetic, said same is true of all agencies, insisted next Congress must do something about it.

He elaborated after Commerce Committee meeting next day. Situation is "somewhat of a mess" and "the regulatory lag is almost appalling," he said. "This Committee next session will look into the whole kit & caboodle, the whole thing, something like a little Hoover Commission on regulatory agencies."

A review of Administrative Procedure Act is planned next year by Committee, he said. "We want to simplify & expedite their work. As it is now, everyone admits things are so complex they are falling behind. People who deal with them are disgusted." Magnuson expects to name a subcommittee to do spadework.

CBS Pres. Frank Stanton dropped in on session, told us afterwards: "I hope there are a lot of second thoughts" on FCC's proposal for the Complaints & Compliance Div. of industry leaders. He is adamant in belief that FCC can't & shouldn't do anything that might possibly impinge on programming (Vol. 16:5 p2).

Ford got chance to improve his pitch by appearing again next day (25), though Magnuson hadn't made it clear previous day that he wanted more testimony.

Ford introduced into record breakdown of 309 TV & 255 radio complaints received during last 1959 quarter. It showed most TV complaints were about programming—84 against "crime & horror," 63 "poor quality," 42 "rigged quizzes," 20 "bad taste." Ford emphasized that new div. couldn't touch such complaints, is forbidden to do so because of anti-censorship section of Communications Act. "The only way that we can possibly look at programming is the overall review of programming." He then gave his views about requiring stations to seek out community needs and show FCC how they've met them.

Sen. Monroney (D-Okla.) complained about a station in his state that "bucked over" high-quality public-service programs to an educational station in order to carry "crime shows." Ford said, again, that new div. couldn't do anything about that. But, he added: "I think we have in the works a proposal which will reach that on an overall basis"—referring to his concept of making stations more accountable. Magnuson urged stations to do more editorializing.

Neither NAB nor individual broadcasters are offering public comment on FCC's plans, but this doesn't mean they're complacent. And it was apparent that Magnuson & Co. is well aware of their views. There's been some adverse editorial comment (see p. 6).

**'DUAL AFFILIATION' IN SEATTLE:** KTNT-TV Tacoma's long-standing anti-trust suit against CBS-TV was settled last week with creation of something new to U.S. broadcasting: situation where there are 2 full-time affiliates of same TV network in same major market. Starting June 1, both KTNT-TV and KIRO-TV will carry CBS-TV in Seattle-Tacoma area and either, or both, will be available to network advertisers.

Originally, KTNT-TV had CBS-TV affiliation for the market. Then, when KIRO-TV went on the air (Feb. 1958), CBS switched to the newcomer. Tribune Publishing Co. (KTNT-TV owner) promptly sued CBS and KIRO-TV for \$15 million in damages (Vol. 14:37 p8). Now, both stations are in the CBS-TV lineup for an electronic double-take.

The station patterns aren't identical by any means, despite obvious coverage overlap between them, we're told by CBS. As the network views the situation at N.Y. sales hq, advertisers will now be able "to inten-

sify their coverage" of the 2 cities. The 2-outlet combination will be available to advertisers at current class "A" nighttime rate of \$1,000 until Jan. 1, 1961. After that, there'll be a \$1,300 "combination rate," although advertisers may then buy either outlet individually for \$1,000.

Nobody was saying how the money will be divided, when we asked parties concerned. It's doubtful, however, that it's a 50-50 split. KTNT-TV's attorney said that "an amicable adjustment" was made with CBS.

Presumably, a similar conclusion vis-a-vis KIRO-TV will be reached.

As far as we know, the settlement of the case represents the first time a network has been forced, through pressure in the courts, to give a TV affiliation back after taking it away.

**TELEFILM'S GLOBAL MARKET:** Syndicators will gross about \$37.5 million overseas from sale of U.S. TV shows during 1960. (They'll be mostly film, with a few on tape.) That's the consensus figure of program exporters queried by us while preparing our exclusive chart on the foreign program market (see p. 8).

Program exporting is "gradual, steady-growth business," we're told by veterans in the field. There hasn't been, & won't be, a booming growth period in the overseas program market for several reasons. A few: growing nationalism, program quotas, currency controls, fewer-than-U.S. programming hours, tight govt. control of TV in many foreign areas.

Earning potential of \$19,795 gross is attractive lure in foreign market for the average U.S.-made 30-min. telefilm episode. Even after deduction of maximum sales costs, dubbing, handling & other expenses, what's left is still a nice slice—about \$14,000 per episode. Such a sum goes far toward reducing original costs of production, or enabling the U.S. producer or network to sell first-run U.S. exposure at break-even level and make a profit in the foreign market (as most movie majors do with features).

Cross-section of telefilm industry distributes overseas. Members of recently-formed TV Program Export Assn. include: ABC Films, CBS Films, Desilu, Danny Thomas Enterprises, Four Star Productions, MGM-TV, MCA-TV, NTA, Screen Gems, United Artists, all working in the foreign film field. Not TVPEA members but active in market are: Fremantle International, Warner Bros., TCF-TV and William Morris Agency (which represents several independent producers overseas).

Foreign market is no cinch to crack, exporters told us. Said one: "No overseas program sale is made without a problem." They're many & varied, and range from growing threat of program quotas & censorship to currency problems & shipping hazards. For more details see p. 7.

**LEE CONFIRMATION IN DOUBT:** Republican FCC Comr. Lee, nominated by President Eisenhower for another 7-year term, is in real job trouble—and through no fault of his own. He has been caught up in a tangle of Presidential-year politics, and he may be left dangling in it when his present hitch in office runs out June 30.

Lee remains very confident, despite gloomy forebodings, says he's betting 20-to-1 he'll be confirmed.

He handily survived battering given FCC at Senate Commerce Committee confirmation hearing last month, when his personal position seemed unimpaired (Vol. 16:18 p3). Two weeks ago Committee met again, failed to act on Lee, but explained other business preempted time (Vol. 16:21 p4). It became apparent last week, however, that election-year situation had become ominous for Lee.

Lee's reappointment was passed over once more by Committee May 25, when it was decided to take no vote for at least 2 more weeks. At same time Committee put off any action on nominations of Republican FTC Chmn. Earl W. Kintner and 3 others to regulatory agencies (2 to FPC, one to ICC).

Main reasons for balking by Committee, headed by Sen. Magnuson (D-Wash.): (1) Move by President to get rid of FPC Comr. William R. Connole, who has been championed by consumer-conscious Democrats. (2) President's choice of Timothy J. Murphy, who seconded Vice President Nixon's nomination in 1956, for Democratic vacancy on ICC. (3) Outlook for Democratic patronage if party wins in Nov.

Immediate buck (on action for Lee & Kintner) was passed to House Commerce Committee by Magnuson, however. He told us that Senate Committee—Republican members concurring—wouldn't take up their nominations again until after June 7. That's when House Committee Chmn. Harris (D-Ark.) has scheduled hearings for Senate-passed bill (S-1965) by Magnuson giving continuity to FCC & FPC service. Measure, approved by Senate last July, brings FCC & FPC into line with laws governing other agencies in which members whose

terms expire can carry on until successors are confirmed by Senate. Kintner's term runs through Sept. If he lacks confirmation, he presumably would stay in office under FTC law permitting such continuation in case of lack of any successor.

Lee could stay on job after June if House completes action on Magnuson bill. Magnuson wouldn't predict what would happen if Harris fails to push legislation through. But likelihood is that Senate Committee would let nomination ride through adjournment of Congress for July political conventions. Only hope then for Lee to hang on to job would be recess appointment by President.

Meanwhile, Harris wound up 12-day FPC hearings, closed his House Commerce investigative season, and put his Committee to work on payola & other legislation—job which he said will run through this week and probably rest of month. Last scheduled Harris hearings (by Communications & Power Subcommittee) will take in not only Magnuson's FCC-FTC bill on June 7 but 2 other subjects—boosters & daytime broadcasting.

Long-hanging booster bill will be first up at Harris hearings June 6. Authored by Sens. Moss (D-Utah) & Murray (D-Mont.) and passed by Senate last Sept., measure (S-1186) gives FCC authority over rebroadcasting operations but legitimizes illegal boosters constructed "on or before the date of enactment of this act."

Radio daytimers will get their House innings in 3-day Harris hearings starting June 13. Finally called up will be bill (HR-6676) introduced more than year ago by Rep. Shipley (D-Ill.)—along with 4 identical House measures—to change FCC's daylight definition from sunrise to sunset to "at least" 6 a.m.-6 p.m.

No book was being made on Capitol Hill on whether Harris will end this session with any new FCC or broadcasting laws actually enacted. However, any study of his Committee's form over the past several years, which has been marked by much investigation & nearly no legislation, would indicate that odds probably are against it.

**NEW 'CONSUMER ELECTRONICS' DEPT:** "Consumer Electronics" is the new name for our sections on manufacturing, distribution & finance, starting this week.

We've changed the heading of this department (formerly "Trade Report") to describe more accurately the fields it covers. In the manufacturing-distribution sections of this department, you'll find our coverage is centered almost exclusively around those electronics fields aimed at the consumer—and this includes TV & radio receivers, stereo & hi-fi equipment, parts & servicing as they relate to these consumer fields, and new consumer electronic devices on the horizon, such as electronic refrigerators and remote-controlled appliances.

Our subscribers represent all branches of TV & related fields—broadcasting, film, advertising, finance, manufacturing, distribution, sales. No matter what your principal interest, we suggest that a perusal of our Consumer Electronics department may be well worth the few minutes it takes to help you keep abreast of all developments in the expanding TV-electronics field. For example, our continuing reports (the latest was last week, Vol. 16:21 p17) on developments in cordless TV may point the way to an eventual new type of out-of-home TV audience, with ramifications for all branches of TV industry.

## The FCC

Radio KDB Santa Barbara disputed FCC's implication that it may not be operating in the public interest. In March (Vol. 16:13 p15), FCC wrote KDB a letter saying that a hearing on its license renewal may be needed because of its "overall programming operations & disparity between program representation & actual operations." The FCC questioned, among other things, whether the station is over-commercialized. Responding to FCC's query, KDB described its schedule, said it includes public service spots, and added that it doesn't "alienate its audience by uninteresting interview shows." It said that "numerous spots spread over days or weeks reach more listeners." There's no sudden rush at FCC to question "over-commercialization"—but there has been a substantial increase during the last year in its willingness to compare promises made in renewal forms with actual performance—insofar as it can on the basis of information supplied by stations.

Complex Ch. 6 case, involving New Bedford & Providence, took another step last week, when FCC permitted WNBH to amend to a new site and expanded the hearing to include an issue on whether co-channel spacing with WCSH-TV Portland, Me. should be waived. There had been 4 applicants for the New Bedford assignment. In a merger deal, the application of WNBH remained, ready for grant. Then, problems with a Coast Guard station developed, and WNBH had to specify a new site—one too close to WCSH-TV's. Meanwhile, FCC has proposed to move Ch. 6 to Portland. At the same time, WCSH-TV has pending an application to move to a site adequately spaced from WNBH's new site. The New Bedford principals look upon FCC's latest move as something of a lift.

TV-FM stereo operations by educational KNME-TV Albuquerque and commercial KHFM there have been authorized by FCC for an additional 6 months under a waiver of the rules. Comrs. Ford & Craven dissented.

## More about

**FCC 'MEDDLING' FEARED:** First dissent to FCC's plan for a Complaints & Compliance Div. to check on station performance (Vol. 16:21 p1) came from the *Washington Star* in a May 23 editorial titled "Big Brother."

"It may be," the editorial stated, "that the Congressional furor over various aspects of the broadcasting industry merely has imbued Frederick W. Ford, the new FCC chairman, with an excessive zeal to 'do something.' His plan to set up a team to 'monitor' radio & TV programs would lead to a serious mistake, however, and it should be squelched at the outset . . . [The plan] smacks of a step toward govt. meddling."

Second editorial blast came next day from *Washington Daily News*. Under the heading "TV Police," it stated: "TV & radio are a public-service industry and as such their livelihood depends on public acceptance of the industry's programs & general behavior."

"FCC police here in Washington may have their own ideas of 'public service' and what the 'level' of TV & radio should be. But it doesn't necessarily follow that they are the best ideas, or that they coincide with what the public would prefer to have. As viewers & listeners, we look upon this policing plan with suspicion."

Alarm was expressed also by a much more experienced source—TV-radio station attorney Harry M. Plotkin, who once headed all FCC staff activity in the broadcast field as asst. general counsel. Addressing the Ky. Bcstrs. Assn. in Louisville May 26, he asserted:

"In my opinion, this is one of the most significant & disturbing developments on the Washington front of the past decade. Do you know what it is going to be like to have 25 gumshoes looking over your shoulder, peeking into your records, and fine-tooth combing your files?"

### May Cause Excessive Delays

"Under the new procedure, any time the Commission receives a complaint about a station, you can be sure it will be routed to the new division for processing. Until a full report is received from this division, the Commission will not process any application you may have on file. This means that so long as a complaint is outstanding against a station, not only will its renewals be held up but so will all applications to build a new station, improve the facilities of an existing station, sell a station, buy a station and a host of other applications."

FCC has plenty of employes to conduct "proper" investigations, Plotkin said. "However, to establish a special office of 25 investigators with no responsibility except to investigate is to tempt fate."

Disagreement with the foregoing critics was expressed by the *N.Y. Times* in its May 23 editorial: "The decision of the FCC to set up a special group to guard the public interest by keeping close tabs on what is broadcast over radio & TV is to be welcomed. . . . Behind this move is the whole melancholy history revealed these past several years of the failure of self-regulation in radio & TV industries . . ."

"In welcoming this move, however, mention must also be made of a danger, the danger of censorship. There are likely to be difficulties in particular cases in distinguishing between legitimate regulation and censorship aimed at curbing unpopular views. The danger of censorship, as well as the importance of the broadcasting industry, requires that those chosen to act as monitors are persons of the highest quality that can be found . . ."

## Auxiliary Services

**Uhf Boosters Okayed:** After 3 years of consideration, FCC finally has finalized rules authorizing uhf stations to build low-power co-channel stations to fill weak-signal holes in their coverage areas.

The move shouldn't be confused with action on vhf boosters—something entirely different. The uhf boosters will be licensed solely to uhf stations, and will not be permitted to extend mother stations' service areas beyond their potential maximum Grade A contours—which is 68 miles, assuming 5 megawatts ERP and 2,000-ft. antenna height above average terrain. Vhf boosters, still not approved by the Commission, would provide service to towns anywhere and would be operated by anyone meeting reasonable qualifications. Here are the provisions of the new booster rules:

- (1) Licensed to uhf stations only.
- (2) Not permitted to extend mother station's maximum potential Grade A service.
- (3) Maximum power 5-kw ERP.
- (4) Must be able to turn booster on & off by transmitting a cue signal from the parent station.
- (5) No call letters required for boosters.
- (6) Type-approved equipment not required—but equipment must be designed & installed by qualified engineers.
- (7) Interference complaints must be satisfied.

The purpose of the boosters, to use FCC's words: "To provide reasonably uniform coverage over [a uhf station's] normal service area, and under severe terrain conditions, without resorting to extremely high powers."

**Translator grants:** Ch. 78, Lihue, Hawaii, to Radio Honolulu Inc., to relay KONA Honolulu. Ch. 79, Manson & Chelan, Wash., to Manson Community TV Co. Inc., to relay KHQ-TV Spokane.

Nearly 3,700 Toronto-area homes have been wired into Telemeter closed-circuit system from a total subscriber list of 5,057, we're told by Telemeter's N.Y. hq. Installations, according to Telemeter, are progressing "at a rate of 300 homes per week." What the break-even point in Toronto installations will be, Telemeter didn't say, although we learned that Price-Waterhouse Inc. is currently making a study of the Canadian pay-TV operation for Telemeter's parent, Paramount. "Theatrical movie business hasn't suffered because of Telemeter," a Paramount N.Y. executive told us. "In some cases, since Telemeter advertising is making Toronto more movie conscious, theatrical film business has actually increased."

Reported pay-TV plans of MGM and 20th Century-Fox (Vol. 16:21 p8) may run into anti-trust trouble. The Justice Dept. hasn't decided whether entry of movie producers into the subscription TV business would raise issues involving the 1949 consent decree divorcing them from theater ownership & exhibition. But a Justice source told us that anti-trust lawyers are getting information from MGM and 20th Century-Fox—"and other sources"—for an "evaluation" of questions posed by reports that the producers are negotiating with Matty Fox for a Skiatron system deal. Anti-pay-TV movie exhibitors have been pressing Justice for several years for an opinion that such deals would violate the consent decree.

Community Engineering Corp., manufacturer of community antenna equipment, has appointed the Glendon Co. Ltd., Toronto, sales rep for Eastern Canada.

## Film & Tape

### More about

**GLOBAL FILM MARKET:** "There are 260 exportable U.S.-made 30-min. telefilm series competing for the overseas market, but only one in every 20 will actually score a foreign sale this season." We heard that recently from CBS Films dir. of international sales Ralph Baruch. But abundance of supply of filmed (or taped) programs is only one of many headaches syndicators face in the increasingly lucrative overseas program market (see p. 4).

Problems emerge in the foreign sales field almost as fast as old ones are solved. The recent decision by Japan's Finance Ministry to raise the artificially-controlled price ceiling of \$300 per 30-min. U.S. telefilm to a new level of \$450 was considered a minor victory for U.S. program exporters—but the financial gains, syndicators say, are counterbalanced by the fall-off in telefilm sales to Cuba in the wake of Castro's takeover of communications and threats of film quotas in Australia & Canada.

As for the Japanese price structure for U.S. shows, most distributors believe it's "nowhere near adequate." In contrast, Japanese advertisers pay as much as \$2,220 per 30-min. Japanese-produced film show or a Japanese-dubbed U.S. telefilm and \$1,950 for a Japanese live show. Moreover only 9 American series are permitted on Japanese TV in any week under Japanese govt. restrictions designed primarily to encourage Japanese production.

The biggest quota problem is easily that of the United Kingdom, where ITV may take only 14% foreign-produced product and usually programs less. While there's no official quota on BBC-TV, the usual practice is to program-schedule only 10% U.S.-produced product. In France there is no quota, but a govt. TV monopoly exists and programming officials take "le view dim" of American shows. Said Ziv-owned International TV Programs Inc. Pres. Ed Stern: "In many markets where a TV monopoly exists, stations won't carry any U.S. film programs at all."

### Foreign Revenue Now 10-25% of Total

"Prices vary, depending upon the status of the TV industry within a country—whether it is commercial or non-commercial, competitive or non-competitive," added Stern. "Eventually there will be increased prices as increased competition & service bring higher circulation . . . For American telefilm producers, foreign revenue now represents 10 to 25% of total revenue and a much bigger percentage of net profit. In the next 5 years, in my opinion, foreign revenue will determine the financial success of any U.S. telefilm property."

Most TV distributors prefer foreign sales staffs which cut out high travel costs, hotels, etc., and give native sales flavor to U.S. product. "It is essential to have local representatives in each market in order to have complete competitive coverage in the area," ABC Films foreign operations div. executive Raul Conangla told us.

Top overseas sales problem cited by Fremantle International Pres. Paul Talbot is the relatively (compared with revenue) high cost of communications and sales trips for U.S. personnel in markets, such as Latin America, where film prices are low. Most large distributors, such as CBS Films & Ziv-UA, maintain foreign sales offices. Screen Gems uses the sales facilities of its parent company, Columbia Pictures. Local salesmen are in a better position to

make day-to-day checks on TV prices and keep up with general information important to the home office, most big distributors believe.

"Because of nationalistic tendencies & programming restrictions, most countries are choosy about what U.S. telefilm programs they take," CBS Films Pres. Merle Jones told us. There is an increasing interest in national programming. Added Ed Stern: "With the growth of a market, the local TV system expands local-program production." Fremantle's Talbot added: "Nationalism is growing both in Latin America & in Europe, and so are the desires of the individual countries to develop their own TV industries to the maximum just as they are concentrating on building up their own industries in fields other than TV. With this comes growing pressure—from unions, politics and newspapers—for quotas."

### Dubbing Is A Must

Not, strictly speaking, a problem, but a standard inconvenience in the foreign telefilm market is the language barrier. As our chart of the overseas market shows, virtually every major non-English-speaking market wants its TV-film shows in the language of the purchasing country. Sometimes, as in the case of Spanish-language dubbing, there are enough Spanish markets to produce a profit for distributors after dubbing costs. (Most Spanish dubbing of U.S. shows today is done in San Juan, Puerto Rico, rather than in Mexico City, where costs have risen sharply in the past few seasons.)

In cases such as the Japanese market, local purchasers arrange the dubbing deal and pass the cost on to advertisers, since dubbing costs in Japan would exceed the purchase price. French dubbing is done for the most part in Paris, which has a thriving industry set up to re-voice feature films under the protection of French govt. statutes which require French soundtracks in French theaters. German dubbing is done in West Berlin or in Munich (although Ziv-UA once explored the idea of dubbing German in Mexico City with refugee actors, and later dropped the plan). Portuguese dubbing is nearly always done in Brazil (which, as a TV market, is substantially better than Portugal itself). Italian dubbing is done in Rome.

Co-production deals were cited by several distributors as a possible solution to quota hassles in England & Japan. "Feasible or not, importing or engaging in more co-production with countries who object to our sending film, would solve the quota problem," said Stern. "It is definitely less expensive to produce in the foreign market," added ABC Films' Conangla. "In Great Britain you can get around the quota by producing there and you can sell this product easily in Canada."

Despite sales problems, the world market shapes up as a major attraction. There are more than 37 million sets in use and about 500 TV stations in 43 countries (see chart) outside the U.S. They cover about 10% of the total world population.

Great Britain, Canada and Australia account for 55% of the outside-U.S. program market, on a dollar-volume basis. They have about 16 million receivers. Japan, with 4.3 million sets, takes about 14% of U.S.-exported telefilm product. Latin America also takes 14%, for its 2.5 million sets. Western Europe, described by some distributors as "a major problem area," has about 10 million sets, but very few commercial stations. Australia & Latin America are generally considered the markets with the most potential

(Continued on p. 9)

# BACKGROUND

No. 7

## FOREIGN MARKET FOR TELEFILMS — June 1960

Country, Sets in Use, No. of Stations	Price Per 30-min. Episode	Special Restrictions	Dubbing Requirements	Country, Sets in Use, No. of Stations	Price Per 30-min. Episode	Special Restrictions	Dubbing Requirements
Algeria (38,100) 4 govt.	Tie-ins with sales to France; no direct sales made.	None	French	Italy (1,666,400) 26 govt. limited commercial 340 low-powered satellites	\$500	None	Purchaser arranges Italian dubbing
Argentina (400,000) 1 commercial 5 planned for first half 1960	\$200	None	Spanish* (\$800-\$1,000 per 30-min.)	Japan (4,288,000) 41 NHK (non-comm. non-govt., financed by listeners' fees). 44 commercial 11 comm. planned 7 NHK planned	\$450	Quota of 10 30-min. foreign programs per week per major station; dollars may be obtained only by stations for "approved" films	Purchaser arranges Japanese dubbing or sub-titling
Australia (825,000) 9 commercial 8 govt. 1 commercial & 3 govt. due first half 1960	\$1,000-\$1,500	No quota; only stations may obtain dollars for film	None	Lebanon (10,000) 2 commercial	\$25-30	None	Purchaser arranges Lebanese narration
Austria (27,500) 16 govt. 1 govt. planned	\$150	No quota; distributors must open bank accounts locally	German \$1,400 per 30-min.	Luxembourg (4,000) 1 commercial	\$150	None	French*** (\$1,400 per 30-min.)
Bermuda (8,500) 1 commercial	\$15-\$20	None	None	Mexico (660,000) 15 commercial 5 repeaters, commercial 8 planned	\$350-550	None	Spanish* (\$800-\$1,000 per 30-min.)
Brazil (1,000,000) 17 commercial 1 experimental 2 educational 1 planned	\$600	No quota; minor currency restrictions	Portuguese** (\$800-\$1,000 per 30-min.)	Monaco (11,000) 1 commercial	\$100	None	French*** (\$1,400 per 30-min.)
Canada (5,534,000) 70 stations 7 satellites	\$3,500-\$5,000 in English \$1,500-2,500 in French	No quota but expect 1961 quota of 45% Canadian programs and 1962 quota of 55% Canadian origin.	French in French Canada.*** \$1,400 per 30-min.)	Netherlands (650,000) 8 commercial	\$200	None	Purchaser arranges for Dutch or Flemish subtitles
Colombia (150,000) 13 including govt. satellites 10 planned	\$150	None	Spanish* (\$800-\$1,000 per 30-min.)	Nicaragua (5,000) 1 govt.	\$40	None	Spanish* (\$800-\$1,000 per 30-min.)
Cuba (365,000) 27 govt.	\$200	None	Spanish* (\$800-\$1,000 per 30-min.)	Nigeria (5,000) 2 commercial	\$20	No quota; shipment must be by freighter.	None
Czechoslovakia (659,000) 8 govt. 3 govt. planned	\$100	None	Purchaser does dubbing or voice-over on documentaries	Panama (9,000) 1 commercial 1 planned	\$40	None	Spanish* (\$800-\$1,000 per 30-min.)
Denmark (420,000) 8 govt. 3 govt. planned	\$200	None	Purchaser does sub-titling or arranges dubbing	Peru (32,200) 4 commercial 1 non-commercial 2 planned	\$50	None	Spanish* (\$800-\$1,000 per 30-min.)
Dominican Republic (15,000) 4 commercial	\$50	None	Spanish* (\$800-\$1,000 per 30-min.)	Philippines (30,000) 3 commercial 6 comm. planned	\$100	No quota; but severe currency restrictions	None
El Salvador (22,000) 3 commercial 1 planned	\$50	None	Spanish* (\$800-\$1,000 per 30-min.)	Poland (250,000) 6 govt. 3 repeaters 9 planned	\$75	No quota; but severe currency restrictions	Purchaser arranges Polish narration
Finland (50,000) 10 govt. 1 commercial	\$150	None	Purchaser does own sub-titling	Portugal (35,000) 6 commercial 3 planned	\$50	None	Portuguese** (\$800-\$1,000 per 30-min.)
France (1,500,000) 56 govt. 17 planned	\$900	None	French*** (\$1,400 per 30-min.)	Saudi Arabia (4,000) 1 commercial (owned & operated for American employes by Arabian-American Oil Co.)	\$50	None	None
Germany, West (3,500,000) 29 limited comm. 1 non-commercial 9 uhf 46 satellites (over 1 watt) 7 on-channel boosters 106 satellites (under 1 watt) 2 main stations planned	\$2,000	None	German (\$1,400 per 30-min.)	Spain (160,000) 4 commercial 6 planned	\$50	No quota; but severe currency restrictions	Spanish* (\$800-\$1,000 per 30-min.)
Guatemala (22,000) 2 commercial	\$50	None	Spanish* (\$800-\$1,000 per 30-min.)	Sweden (765,000) 32 non-commercial 8 planned	\$400	None	Purchaser arranges Swedish sub-titling
Honduras (3,800) 1 commercial	\$40	None	Spanish* (\$800-\$1,000 per 30-min.)	Switzerland (85,000) 18 non-commercial	\$100	None	French*** (\$1,400 per 30-min. German: same.)
Iran (22,000) 2 commercial	\$25	None	Purchaser does voice-over narration in Persian	Thailand (42,000) 2 commercial	\$30	None	Purchasing stations arrange own narration
Iraq (35,000) 1 govt.	\$25	None	Purchaser does voice-over narration in Persian	United Arab Republic 4 stations planned	\$40-50	None	Voice-over Arabic narrating done by purchaser
				United Kingdom (10,500,000) 24 BBC 10 ITA 5 ITA planned	\$2,500 (non-quota) \$1,000 (quota)	Quota on ITA is 14% foreign programs; BBC has no quota but, by policy, doesn't use more than 9%; modest currency restrictions	None



Country Sets in use, No. of Stations	Price Per 30-min. Episode	Special Restrictions	Dubbing Requirements
USSR (4,000,000) 138 govt.	Exchange program; no money involved.		
Venezuela (200,000) 8 commercial 3 satellites 1 govt.	\$350	None	Spanish* (\$800-\$1,000 per 30-min.)

**TOTALS**

Total sets-in-use outside U.S. ....	37,909,066
Maximum 30-min. telefilm world-wide price ..	\$19,795
Maximum 30-min. telefilm dubbing expenses .	\$4,800

\* SPANISH—Soundtrack re-voicing for all Spanish-speaking TV markets, including Spain, is done mostly in San Juan, Puerto Rico, although some dubbing is done in Mexico City.

\*\* PORTUGUESE—Virtually all Portuguese telefilm dubbing is done in Brazil, even for eventual sale in Portugal. Portuguese dubbing usually represents a loss on first telefilm run, but additional plays because of limited availability of Portuguese-voiced shows usually produce a profit.

\*\*\* FRENCH—Virtually all French dubbing is done in Paris, and is acceptable in all French-speaking markets, including French Canada. France, however, will not accept French dubbing done in other countries, even though the cost of Parisian dubbing nearly always exceeds revenue from a telefilm sale in France.

(Continued from p. 7)

for U.S.-made film product, mainly because of recent & planned TV stations.

On a long-range basis, distributors expect great things from the telefilm export business. Some predict exports will double by 1965 and that overseas sales will account for 35% to 40% of the TV film-business gross. They cite as encouraging signs the increases in countries which are getting TV, rise in stations in countries equipped with TV, and rapid increase in total sets-in-use.

Although Western Europe presents a limited sales market to exporters, most feel the outlook is good. Distributors expect German commercial network TV broadcasting to get under way within the next 2 years and "possibly set a pattern for the rest of the continent." In Italy, where TV is under strict govt. control, there is lobbying for an independent channel to compete with state-owned TV by a group of Milanese broadcasters organized as TV Libra. France is unlikely to have commercial TV but the French govt. is talking of adding a second network, thus opening up additional air time.

Several companies made specific predictions about their individual businesses. "Screen Gems will increase from 35-40% in overseas billings within the next 3 years," said international sales dir. Lloyd Burns, adding that "these billings should represent close to 20% of the company's overall business." Ziv predicted a "200% foreign sales increase over the next 3 years." CBS Films expects to increase its 1959 gross of around \$7 million by 25% in '60.

TCF-TV, heretofore inactive in this area, said recently in its annual report that "in view of the growing importance of the foreign market, the forthcoming year will see utilization of our foreign sales force in distribution."

All distributors, however, do not expect a near-future boom. "Wherever the TV market is abroad, it won't grow like the American network and syndication markets because foreign markets have only a few programming hours a day and they seem to be satisfied with that," said CBS Films' Merle Jones. "Most foreign TV is in the hands of the govt. and if they don't have to compete, why should they expand?" From an exporter's point of view, Jones added, "the TV program export business will have a gradual, steady growth, if not restricted, over the next 10 years.

But if prices remain prohibitive, there is no chance for healthy growth."

It's in this area that the newly-formed TV Program Export Assn. hopes to fit into the picture. TVPEA plans to represent member companies in all countries of the world to improve conditions and prevent telefilm export restrictions. Gen. counsel George Muchnic told us: "Our group, which will act as a sort of Johnston office for our industry, hopes to convince TV-equipped countries that free trade is the best policy." Should agreements be stymied, U.S. distributors could boycott a purchasing country until feasible arrangements could be made, one member-company executive explained.

To be eligible for membership in TVPEA, a company must be actively engaged in exporting film programs. At present, 80% of active exporters are members. The cost of joining is \$15,000 for major companies, and about half that amount for smaller organizations. John G. McCarthy, dir. of the U.S. office of economic affairs, Paris, is pres.

Video-tape program-exporting is the newest horizon for distributors operating overseas. So far, it's just a drop in the export bucket, with one syndication firm pres. telling us that "foreign TV program sales are about 99% on film, and about 1% on kinescope or tape." One problem, of course, is TV tape standards. Virtually every TV station in the world is equipped to televise 16-mm or 35-mm film. Only a handful of foreign stations are equipped with conversion units to play U.S.-recorded tapes. A few U.S. live-tape shows (*Perry Como Show*, *Dinah Shore Show*, and some specials) are being syndicated overseas—usually in kinescope form—by NBC International, under an AFTRA residual formula that pays performing talent 45% of minimum scale for worldwide talent rights. ABC and CBS are not active in syndicating live shows, and most film distributors see no need to handle them.

The telefilm export business has its headaches, but it rarely is a bore. CBS Films recently received a letter from a Scandinavian station client which read: "We're closing our station for 2 months this summer because of the midnight sun. We would appreciate it if you could arrange a pause in our film shipments during that period." In Venezuela, an ABC Films Western episode was returned unused because a sheriff was shot. ("In Venezuela, senors, sheriffs are not permitted to be killed," ABC Films was told.) And Fremantle International recently received back from a Lebanese TV station 4 episodes in a boxing series which featured Max Baer wearing a "Star of David."

Ampex Videotape installations made during the first 2 weeks of May: WIIC Pittsburgh, WSIX-TV Nashville, WHAS-TV Louisville, WJW-TV Cleveland, KDUB-TV Lubbock, WRGB Schenectady, WTIC-TV Hartford, WSPD-TV Toledo, KVAR Phoenix, WNEM-TV Saginaw, WLWA Atlanta, WECT Wilmington, N.C.; Teletape Productions Inc., Chicago; Ft. Gordon, Ga.; Redstone Arsenal, Huntsville, Ala.; Vicoa Inc., Chicago. Total of Ampex installations now stands at 630. These are among shipments made in April: Two machines each went to KSL-TV & KUTV Salt Lake City, KING-TV Seattle, and KGW-TV Portland. Single recorders were shipped to KTVH Hutchinson, Kansas; WBZ-TV Boston; WHEN-TV Syracuse, and WHEC-TV Rochester. Other shipments during the period included 2 each to Radio Rio, Brazil; RAI, Rome; CBC, Montreal; 4 to England; one each to CFQC-TV Saskatoon, Sask.; XETV Tijuana, Mexico; and U.S. Signal Corps, Washington.

**WGA REJECTS LATEST PEACE BID:** Holding out for a guaranteed percentage of foreign residuals on telefilms, Writers Guild of America last week rejected 281-198 a new peace proposal to end the 19-week-old strike.

In apparent retaliation at week's end, the Alliance of TV Film Producers, the Assn. of Motion Picture Producers and Ziv-United Artists informed the press that they were withdrawing all their offers to WGA. At press time, however, WGA had not been officially notified.

The rejected proposal—from Alliance and AMPP—amounted to the previously-rejected Alliance offer. It called for a 10% hike in minimums the first 2 years, 5% in 3d & 4th years, and a 5% pension, with an important addition: establishment of a fact-finding committee to explore the (MCA chief Lew) Wasserman plan for royalties to writers in lieu of the present residuals. WGA was given the right to put such a plan into effect on May 1 of any year in the 6-year pact offered. In addition, WGA was offered a 3% hike in minimums for the last 2 years of the contract.

The Alliance-AMPP plan had been rejected by the negotiating committee, but accepted by the TV-radio board 5-4, and by the council 6-4, with the screen members of the council abstaining. It marked the second time a proposal has been rejected by the negotiation committee, accepted by the board and council, and subsequently rejected by the membership.

WGA's meeting last week was noisy & confusing. At one point, WGAW Pres. Curtis Kenyon grabbed a floor mike to demand that TV-radio branch Pres. Kay Lenard, who was presiding, "tell all the facts!" Petitions seeking ouster of Miss Lenard were circulated and there were shouts from the floor for her resignation. Miss Lenard, who has incurred the animosity of some writers by favoring acceptance of both Alliance offers, told us she "absolutely" does not plan to resign.

#### Unger A Key Factor

Another factor which played a strong role in the vote was the role essayed by Ziv-United Artists TV production vp Maurice Unger, who had submitted 2 proposals to WGA (Vol. 16:21 p 12).

Unger and WGA had verbally neared a deal on the 2nd offer, but he suddenly withdrew all his proposals and joined with the Alliance in its joint offer with AMPP. Unger's defection from the Alliance originally had created considerable resentment in Alliance circles.

However, WGA formally proposed the so-called Unger plan, entailing a guarantee of 2% of the gross, as the solution to the strike, offering it to the Alliance, the non-Alliance independents, the networks and AMPP the day after the Alliance-AMPP deal was rejected. As for the non-Alliance independents, the only group not yet struck, WGA told it to accept this proposal or face a strike.

Producer circles were increasingly bitter. Said one: "The writers have had their last opportunity with the Wasserman plan. I'm glad they turned it down, because it was too generous."

Alliance production executives are opposed to WGA's insistence on a foreign gross guarantee because, they say, this would mean other Guilds would also want a cut of such grosses. Said one executive: "We could easily wind up paying 15% of our gross to the various guilds. Then there is a 35% distribution fee. In addition, creators, stars and producers often own a piece of the series. There's also IATSE waiting. What would we wind up with?"

Writers counter-argued by saying the other Guilds wouldn't take a risk as offered in the Wasserman formula.

**Ad Agencies May End the Strike:** A new development in which N.Y. agencies are said to be moving for a deal with WGA may well bring about an end to the writers' strike. As we went to press, we learned of the agency overtures. Coming on the heels of WGA's rejection of an Alliance-Assn. of Motion Picture Producers offer (see story to left), the move was apparently motivated by agency concern over product for next season.

It's understood a N.Y. agency vp contacted WGA late last week, on behalf of 3 large agencies. He said they were ready to sign on terms proposed by the Guild (WGA to be guaranteed 2% of the foreign gross after 4 years of a 6-year contract) and wanted to know the procedure involved in signing contracts with the Guild.

The executive indicated the agencies would either form their own production company or finance new ones which would operate under terms proposed by WGA.

WGA immediately sent him applications for the agencies to become signators to the proposed pact. Because of the Memorial Day holiday, however, nothing was expected to be concluded until the latter part of this week—or next.

The directors & actors guilds were mum on the subject, waiting watchfully.

One of the most potent arguments raised by writers speaking out against the Alliance plan was the time factor. They maintain that the strike is now 19 weeks old, and that production companies, hurt badly, are in need of scripts. (One producer-writer has admitted "scabbing," and faces a WGA trial, writers were told).

There was no question of the validity of the writers' claims regarding production. We visited several studios last week and saw an industry virtually paralyzed. For example, the leading studio, Revue, for the first time in 4 years, doesn't have a thing before the cameras.

Producers were angry & confused. One head of a leading company told us: "I'll just shut down my studio for 2 months." Several executives hoped they could persuade Madison Ave. to begin fall programming Jan. 1 instead of in the customary fall weeks.

Some non-Guild writers & WGA members were scripting, despite Guild edicts, but not enough of them to meet next season's needs. A private eye, hired by a WGA member to identify "scabs," failed to deliver. The marathon strike has created bitterness which may linger on among producers & writers long after settlement.

WGA negotiators, twice upheld by the Guild's membership although overruled by the TV-radio board and council, believe that factionalism within WGA, which has strongly hampered negotiations, is now beaten, and that they are in a position of strength for negotiations.

WGA met with independents outside the Alliance following the membership rejection of the Alliance-AMPP plan, and it seemed possible that any break in the lengthy strike might come from this area. While predictions are hazardous in the emotional atmosphere of the strike, there are indications that some companies may settle on WGA terms within 2 weeks. If so, this could lead to a break in the entire dispute, with other companies following suit. When we checked some non-Alliance independent producers last week, they indicated readiness to give in on the controversial foreign issue. It's expected that clarification of WGA's internal problems will expedite settlement.

## STRIKE SITUATION AT A GLANCE

Union	Strike vs. Movies' TV Operations?	Strike vs. Alliance of TV Film Producers?	Strike vs. Non-Alliance TV Producers?	Strike vs. Network TV Film?	Strike vs. Live Network?
<b>WGA</b> (Writers Guild of America)	Yes. Began Jan. 16, mainly over demand for foreign residuals. Assn. of Motion Picture Producers latest proposal, embracing Alliance and Wasserman plans, was rejected by WGA last week on grounds it could result in losses for writers. Acute script shortage is being felt by studios.	Yes. Began Jan. 16, mainly over foreign residuals demand. WGA rejected latest Alliance offer, made with AMPP, whereby writers offered 10% increase in minimums first 2 years, 5% second 2 years, 5% pension plan, with so-called Wasserman plan to take precedence when equitable formula evolved. WGA rejected terms of royalty plan offered by Alliance and AMPP. Production hurt badly by strike.	No. Extension of WGA pact lapsed March 26, but few talks have been held because of negotiations with Alliance. WGA demands percentage of foreign gross from independents, as it has of Alliance & AMPP. This group hasn't been hurt by strike, since it's only Hollywood producer TV film combine not struck by WGA.	Yes. WGA struck March 18. Has since rejected network offer of recognition on crucial foreign residuals issue. Is also cool to net formula for payment in foreign area. Producers face shortage of scripts on next season's films.	No. WGA reached agreement with networks for live TV-radio & staff writers.

**FOUR STAR TIES REVUE FOR VOLUME:** Four Star Television, which has sold more new series than any other TV-film company for next season, is now tied with Revue Studios for first place in number of shows turned out for the networks—12. Revue still maintains its overall production dominance with 16 series—one a rental deal and 3 others being syndicated.

Four Star's rapid rise to a dozen series challenges Revue's superiority and dominance in the industry for the first time in years. While some sales still remain to be made, it's doubtful they will change the scales much. Revue sold 2 pilots this spring; Four Star sold 7.

Screen Gems has notched down 3rd spot with a total of 9 series. Warner Bros. is next with 7, and the other series are scattered among various companies.

The most impressive sales record for next season, that of Four Star, with the William Morris agency as its sales rep, saw the Dick Powell-David Niven-Charles Boyer company sell pilots on *The Tom Ewell Show*, *Peter Loves Mary*, *Stagecoach West*, *Willy Dante*, *The Lone Westerner*, *Michael Shayne* and *The Law & Mr. Jones*. In addition, Four Star has renewals on *Dick Powell's Zane Grey Theater*, *the Rifleman*, *The DuPont Show With June Allyson*, *The Detectives*, *Wanted—Dead or Alive*.

Revue network series are *The Tall Man* (co-production with Nat Holt); *Checkmate* (being done with J&M Productions); *Wagon Train*, *Alfred Hitchcock Presents*, *Laramie*, *Riverboat*, *Bachelor Father*, *Bringing Up Buddy*, *Wells Fargo*, *GE Theater*, *Leave It to Beaver* and *The Deputy*. Syndicated series are *Coronado 9*, *Johnny Midnight* (co-production with Jack Chertok) and *Shotgun Slade*. The company's single rental deal is Hubbell Robinson Jr.'s *Thriller*. Revue has completed production on its *Markham* and *Whispering Smith* series.

There may be slight changes in the power lineup after final sales are wrapped up, but there's no doubt that Four Star and Revue will dominate the production field. Probably the most notable decline was that of Warner Bros. TV, which slipped from 10 series to 6.

Two NTA executives have resigned, reportedly because of the company's lack of product or emphasis on new film production. The pair: Harold Goldman, NTA exec. vp & sales chief, and one of its founders; and dir. of creative programming Mort Abrahams.

**Jackpot in Residuals:** A guaranteed 6-yr. residual income, which may reach a total gross of \$9 million, will come to producers, actors, directors, writers etc. who have been participants in the *Father Knows Best* series, co-producer (with Robert Young) Eugene Rodney told us recently. As finally resolved, the rerun deal—most lavish in network history—shapes up like this:

Phase 1: Depending on summertime pre-emptions of the existing series for political coverage by CBS-TV, a weekly 30-min. rerun series of 104 episodes culled from the show's backlog will begin somewhere between mid-Sept. and Oct. 5. CBS-TV is selling the show on the basis of three 60-sec. participations per episode, and has already lined up longtime *FKB* sponsor Scott Paper Co. as one participant. (Total talent price for the rerun shows, split between the 3 sponsors, is far from inexpensive. The amount exceeds \$40,000—a figure not out of line with pricing for new shows.)

Phase 2: When the CBS-TV deal is concluded, the backlog will move to ABC-TV for a 4-yr. daytime-stripped run, again sold on a premium participation basis. Although ABC is not shut out of nighttime reruns, the chances of evening ABC exposure for the *FKB* backlog are not great, Rodney explained. ABC, incidentally, is not "buying" the series; it is strictly a leasing deal, with the negatives returning to the owners for "possible future reruns after that," according to Rodney.

### Careful, Craftsmanlike Work is Secret

The secret of successful TV situation comedy, Rodney stated, lies in "good writing, believable casting, and the kind of careful camera work you see in a \$2-million feature film." He admitted that *FKB* owed much to the adult comedy style of Charles Chaplin—"the lump-in-the-throat story with a comedy twist at the ending."

Rodney, who described week-to-week TV production as "a deluxe form of penal servitude," has no immediate plans for a new show, but, "When Bob Young and I come up with the right property, we won't hesitate to go." Rodney is not contractually committed to Screen Gems to use it as a co-production or marketing outlet, but has "very friendly relations" with the firm and may tie up again with the Columbia Pictures subsidiary. "Meanwhile," said Rodney, "I want to sit on the beach for awhile and watch the money roll in."

## NEW YORK ROUNDUP

Fremantle International has obtained international TV & radio distribution rights to the June 20 heavyweight title bout between Ingemar Johansson & Floyd Patterson, in an agreement with TelePrompTer Corp. which holds all ancillary rights to the match. The fight will be sent to TV stations in about 40 countries outside the U.S. and Canada "by a variety of devices, including microwave relay, tape, kinescope and edited film," Fremantle said. Radio announcers will relay the fight live in Spanish, Portuguese, French, German and English. Far Eastern TV stations will be serviced by off-the-line TV recordings made on the West Coast, while Latin America and Europe will be serviced by recordings separately made in N.Y. Meanwhile ABC has sold exclusive radio coverage of the bout. Fiat Motors through Grant agency joined Bristol-Myers as co-sponsor of the rematch. Rights to the fight had been purchased from TelePrompTer last month for \$250,000, "the highest price ever paid for a single broadcast."

UAA feature films have been sold to 14 stations in the past 2 weeks, announces vp & gen. sales mgr. Robert Rich, including KHJ-TV Los Angeles, WHEN-TV Syracuse, WTVT-TV Tampa, and KOCO-TV Oklahoma City. WMAR-TV Baltimore and KGMB-TV Honolulu renewed their UAA contracts for WB features.

International TV Programs Inc., foreign distributors of Ziv-UA, made 2 expansion moves last week. Pres. Edward J. Stern announced that new hq were opened in Rome by European operations dir. Joseph Brandel, and in central Canada by new sales vp Colin O'Shea.

## HOLLYWOOD ROUNDUP

An action-adventure series, *Silent Investigators*, to be made in cooperation with Post Office Dept., is planned by 20th-Fox Television . . . Screen Gems has named UCLA student John Rhone as the winner of the first SG TV Fellowship. He begins a 5-month apprenticeship in all phases of TV film production in Sept. at SG.

Warner Bros. has added Richard Long, star of its axed *Bourbon Street Beat*, to the starring lineup of *77 Sunset Strip* . . . Screen Gems has resumed production on *Two Faces West*, starring Charles Bateman, with Matt Rapf producing.

Pilot on *Yes, Yes, Nanette*, starring Nanette Fabray and produced by Larry Berns, is being filmed at Revue Studios . . . Screen Gems has signed vps-exec. producers Harry Ackerman and William Sackheim to new contracts.

Screen Extras Guild's annual membership meeting will be held June 3 at the Academy Award Theater. The agenda calls for discussion of contract negotiations, pension and health & welfare plans and the new Screen Actors Guild contract as it pertains to extra players.

Latest Western to be axed: Revue Studio's 60-min *Overland Trail* . . . Hampshire Productions plans a series based on Mack Sennett's 2-reel comedies, using Sennett's slapstick format . . . Format Films will move into new quarters with more space, in North Hollywood.

## Stations

Payola consent orders, forbidding record firms to make under-the-turntable payments to anyone for broadcasting their products, have been obtained by FTC in its clean-up campaign from: Jamie Record Co., 1330 W. Girard Ave., Philadelphia. Time Records Inc. and Brent Music Corp., 2 W. 45th St., N.Y. and Robert Shad, an official of both firms, which also do business as Shad Records and Brent Records Inc. Volkwein Bros. Inc., 632 Liberty Ave., Pittsburgh, and Pres. Carl R. Volkwein & vp-treas. Walter E. Volkwein. Edward D. Cohn, trading as Lesco Distributors, 17 S. 21st St., Philadelphia. Records Inc., 790 Commonwealth Ave., Boston, and Pres.-treas. Cecil Steen. Fury Records Inc., 266 W. 123rd st., N.Y., and Pres. Morgan Robinson & secy.-treas. Clarence L. Lewis. Cosnat Distributing Corp. and Jay-Gee Record Co. Inc., 315 W. 47th St., N.Y.; Cosnat Distributing Detroit Corp., 3727 Woodward Ave., Detroit, and Cosnat Distributing Corp. of Cleveland, 1233 W. 9th St., Cleveland, and officers Jerry & Elliot Blaine of all 4 firms, Charles Gray of Cosnat Detroit and Bennett Blaine of Jay-Gee Atlantic Recording Corp., 157 W. 57th St., and officers Ahmet M. & Nesuhi Ertegun, Mirian Bienstock, Gerald Wexler and Vahdi Sabit. All South Distributing Corp., 630 Baronne St., New Orleans, and officers Henry J. Hildebrand Jr., Evelyn K. Hildebrand and Henry J. Hildebrand. Superior Record Sales Co. Inc., 656 10th Ave., N.Y., and Pres. Sam Weiss. Dumont Record Distributing Corp., 1280 Tremont Ave., Boston, and Pres. Donald E. Dumont. FTC's score so far in its anti-payola drive: 75 complaints against record manufacturers & distributors, 28 consent orders. New payola complaints were filed against: Hugo & Luigi Productions Inc., 155 E. 24th St., N.Y., and Pres.-secy. Hugo Pietti & vp-treas. Luigi Creatore. Specialty Records Inc., 8508 Sunset Blvd., Hollywood, and Pres. Arthur N. Rupe. Starday Recordings & Publishing Co. Inc. & Starday International Sales Co. Inc., P.O. Box 115 Madison, Tenn., and Pres. Donald F. Pierce.

More creative use of words for broadcast has been intensified by the TV-radio div. of Triangle Publications, Inc. with the appointment of former *Pennsylvania Gazette* editor William Schramm Jr. to the new post of project writer for its stations. Announcing the appointment, div. vp Roger W. Clipp emphasized that for "all of us in broadcasting, 'word power' should be considered as important as transmitter power." Schramm (a BS, MA and now completing credits for his Ph.D) will operate out of Triangle Stations' Philadelphia hq, and will work closely with the various stations in preparing written material both for print & broadcast. He will also undertake various long-range writing assignments, including the development of institutional public-information series.

Unfair labor charges filed by NABET against Gross Telecasting Inc. (WJIM-TV & WJIM Lansing) have been partially sustained in an intermediate report by NLRB trial examiner Henry S. Sahn. Recommending that a cease-&-desist order be issued by NLRB against the stations, he held that management representatives tried to intimidate employes who were union members. At the same time Sahn said that NABET hadn't proven charges that employes had been dismissed because of union membership.

New reps: KTBS-TV Shreveport to Katz June 5 from Petry. KARD-TV Wichita to Peters, Griffin, Woodward May 15 from Petry.

Call letter change: WNBC (Ch. 30) New Britain-Hartford switched to WHNB-TV May 22.

## Programming

**AUDIENCE? ONWARD & UPWARD:** Network advertisers in 1959 got 8% more for their money than they received only 3 years before, reported an NBC-prepared, Nielsen-based study we saw last week.

The average evening program in network TV has been gaining audience impressively, the study revealed. In 1956, the average-audience level of a typical network show was 18.7, producing a homes-reached audience of 6,084,000. In 1959, the AA level had declined slightly to 18.4, but with the increase in TV homes & stations, and a rise in TV penetration of total U.S. population from 1956's 74.1% to 1959's 86.2%, the average evening network show was delivering a homes-reached audience of 7,679,000. That's a gain of 26% more people than were delivered by the average evening show in 1956.

One result of such long-term gains, noted NBC in the study, has been to make TV's commercial efficiency "better than it has been in the last 3 years." In 1956, the cost efficiency of all network TV shows averaged \$3.05 per 1,000 homes (328 homes per dollar). In 1959, cost was reduced to \$2.82 (355 homes per dollar). "This means," said NBC research dept., "that for every dollar, last year's TV advertiser reached 8% more homes per commercial minute than he did 3 years before."

Among the categories, one-hour straight-drama shows are decreasing steadily in number, and attracting steadily smaller audiences. Westerns, although they've multiplied like prairie dogs in the past few seasons, have gained noticeably in average-audience levels over the 60-min. drama shows, the report also found.

The average Nielsen-measured audience of 3 Westerns rose 9% between 1956 and 1959 (from 20.7 AA to 22.5), even as their numbers grew from 7 to 32. But in the same period drama shows showed a 12% drop in average-audience level while their numbers declined from 11 to only 4.

When the 2 program types are compared with each other (rather than against themselves), the results are even more pronounced. In the 1959-1960 season, Westerns have been 31% above one-hour dramas in average-minute audience. Just 3 years ago, Westerns were only 6% ahead.

ASCAP feuding will be explored next term by the U.S. Supreme Court, which has agreed to hear a complaint by 4 publisher-members that an amended anti-trust judgment against the music-licensing organization doesn't protect them "from the dominating publisher-members." The 4 complainants—Sam Fox Publishing Co., Movietone Music Corp., Pleasant Music Publishing Corp., Jefferson Music Co. Inc.—protested refusal by U.S. District Court in N.Y. to permit them to participate individually in anti-trust proceedings last year. Barred from the case, they were unable to appeal the amended judgment by Judge Sylvester J. Ryan which revised ASCAP's accounting procedures (Vol. 15:43 p8). A written opinion by the Supreme Court will follow arguments in the appeal during term starting in Oct.

Reduction in Emmy-award categories from last year's 42 to 21, and nominees for the 12th annual presentations, were announced in N.Y. May 23 by Academy of TV Arts & Sciences Pres. Walter Cronkite. Apart from news & public affairs shows, CBS received most nominations—43. NBC took 27; ABC 5. New York entertainment shows, received 28 nominations; Hollywood took 33.

## Advertising

**TvB Likes Magazine Study:** "The advertising profession owes the magazine industry a debt of gratitude for its study, 'The Profitable Difference,'" TvB Pres. Norman E. Cash said last week. "Not only does this study report new findings concerning magazines, but it explodes once & for all the myths of the unrealistic exposure claims some publications have been promoting by replacing them with actual audience figures."

Findings in the magazine study cited by Cash as "startling" include: (1) Almost one of every 5 homes doesn't see any of the nation's leading 35 magazines in a 6-week period. (2) More than half the nation's homes see less than one issue of these 35 magazines in a week. (3) The median income for a magazine-reading home is lower than the median income of a TV-viewing home. (4) TV's exclusive audience is 57% larger than magazines' exclusive audience. (5) The TV-exclusive audience represents almost \$33 billion in income—83% more money than the magazine-exclusive audience represents. (6) Magazines reach 85% of the dentifrice market, TV 94%.

The magazine study, Cash pointed out, used 35 selected magazines to represent their medium, covering 78% of all magazine circulation. For TV, however, MAB selected 30 nighttime network programs. These 30 include only 26% of all nighttime network TV "circulation."

Local program spot-TV billings of 238 companies (spending \$50,000 or more) in 1959 totaled \$80 million—or 13.2% of the year's total spot expenditure of \$605 million, reports TvB. Leading spenders in spot programs were Colgate-Palmolive and Procter & Gamble. A total of 236 companies spent \$50,000 or more in ID's last year, accounting for \$64.5 million, or 10.7% of the total TV spot expenditure. Companies using ID's for 10 or more brands included American Home Products, Bristol-Myers, C-P, Helene Curtis Industries, General Foods, Nalley's, P&G.

Standard spot billing-form for TV-radio is now being urged on stations by 65 top ad agencies. The new form, developed by *Sponsor* magazine's standard spot-practices committee, aims to avoid agency confusion resulting from the variety of size, shape and color of present bills. Lamented one adman: "We often refuse to pay a station invoice because we can't figure out what we're being billed for."

TV commercials festival final summary last week revealed that Robert Lawrence Productions had scored 7 firsts—high score. Elliot Unger & Elliot came close with 6 and NBC Telesales placed 3rd among producers with 3. Young & Rubicam, J. Walter Thompson and BBDO were the most heavily represented ad agencies.

**Ad People:** Harold Tillson named media dept. mgr., Leo Burnett; George Wilcox succeeds Tillson as media group supervisor; John W. Setear appointed mktg. supervisor . . . Stanley J. Quinn Jr. named Doherty, Clifford, Steers & Shenfield vp & dir. of TV-radio programming & production . . . Elliot Plowe, Grant Advertising N.Y. office senior vp, promoted to pres., in a transferral of the agency's domestic hq from Chicago to N.Y. Will C. Grant, founder, named chmn. & chief exec. officer; Christopher Cross promoted from vp to senior administrative vp, Chicago.

## Networks

**NBC's 'Entente Commerciale':** The wartime underground hero who today is the nearest thing to a major commercial broadcaster in France—Marcel Bleustein-Blanchet—and NBC signed a precedent-setting "reciprocal representation agreement" last week. Under the pact, each will represent the other's interests in their countries, and the way is now clear for NBC to develop French-American TV shows and seek investment outlets in French-area TV-radio stations.

Greater inter-union cooperation among the 3 major labor groups representing live performing TV talent—the American Federation of TV-Radio Artists, the American Federation of Musicians and American Guild of Variety Artists—is foreshadowed by AFTRA national exec. secy. Donald F. Conaway's latest move. Conaway has accepted invitations to address the June 6-9 national conventions of AFM and AGVA, both of which are to be held in Las Vegas, Nev. He'll discuss, AFTRA said last week, "mutual problems." Already a major labor power in the TV field (Vol. 16:20 p4), AFTRA has lately been active in encouraging more liaison between talent unions, and in discussing a possible merger with Screen Actors Guild. For its own national convention (July 20-24 in Washington), AFTRA has invited Secretary of Labor James P. Mitchell as guest speaker. A total of 312 delegates (representing more than 15,000 AFTRA performers) are expected to attend the Washington conclave.

Co-op sales in NBC-TV shows are being offered to affiliates as a special inducement to keep long station lists cleared for several shows in NBC's summertime program lineup. Programs in which NBC-TV stations will have the local option of selling 1-min. spots if not fully sold to network advertisers: *Cimarron City*, *Laramie*, *Law of the Plainsman*, *Overland Trail*, *Music on Ice*, *Moment of Fear*, *Head of the Class*. The local spots, however, are pre-emptable by the network on 14 days notice if sold nationally.

### NETWORK SALES ACTIVITY

#### ABC-TV

- American Bandstand, Mon.-Fri. 4-5:30 p.m., renewal of participations eff. Sept.  
*General Mills* (Dancer-Fitzgerald-Sample)
- The Alaskans, Sun. 9:30-10:30 p.m., particip. eff. summer.  
*Procter & Gamble* (Compton)  
*Scripto* (Donahue & Coe)
- Bourbon Street Beat, Mon. 8:30-9:30 p.m., participations eff. May 30.  
*Procter & Gamble* (Compton)  
eff. Sept.  
*Scripto* (Donahue & Coe)
- Walt Disney Presents, Fri. 7:30-8:30 p.m., particip. eff. Sept.  
*Scripto* (Donahue & Coe)
- Adventures of the Nelson Family, Wed. 8:30-9 p.m., half-sponsorship eff. fall 1960.  
*Coca Cola* (McCann-Erickson)

#### NBC-TV

- The Loretta Young Show, Sun. 10-10:30 p.m., sponsorship renewal eff. fall 1960.  
*Warner-Lambert* (Lambert & Feasley)
- The Tab Hunter Show, Sun. 8:30-9 p.m., half-sponsorship eff. fall 1960.  
*Westclox* (BBDO)

## Congress

Suspension of equal-time rules during the upcoming election campaign, to permit TV networks to stage debates by Presidential candidates, was advocated last week by Senate Commerce Committee Chmn. Magnuson (D-Wash.). Endorsing a proposal by CBS Inc. Pres. Frank Stanton as an alternative to legislation requiring all TV outlets to donate prime time to the nominees, Magnuson told us he was prepared to introduce a resolution lifting application of the Communication Act's Sec. 315 to such debates. But Magnuson, co-author of the bill (S-3171) for mandatory time which was virtually smothered by objections at hearings a week earlier (Vol. 16:21 p2), wasn't hopeful that such a resolution could be pushed through the Senate & House before this session adjourns. Stanton & ABC-TV Pres. Oliver Treyz told the Commerce Communications Subcommittee at the hearings that their networks were ready to offer prime time to Republican & Democratic nominees if the networks would not be subjected to equal-time demands from a flock of minority-party candidates. NBC-TV's plan to put the major candidates on a *Meet the Press* series wouldn't be subject to amended Sec. 315, which exempts news shows. Meanwhile, the legislative outlook for S-3171 remained dim. The Subcommittee headed by Sen. Pastore (D-R.I.) made no move to act on the measure, which was denounced at the hearings on Constitutional & other grounds.

Sports anti-trust bill (S-10605) by Sen. Kefauver (D-Tenn.), permitting professional baseball & football clubs to control broadcasts of games, has been sent to his Judiciary Anti-trust & Monopoly Subcommittee to the full Committee—without recommendations for action. Following quickie hearings on the measure, which was opposed by baseball Comr. Ford C. Frick (Vol. 16:21 p12), the Subcommittee modified it to remove some proposed limitations on the number of players a club could control. But the Subcommittee left it up to the full Committee to decide what—if anything—should be done about the bill, which probably will be shelved.

Criminal penalties of \$1,000 fines and/or 3-year jail terms for malicious damage to commercial communications systems ("used or intended to be used" by the govt. in Conelrad or other operations) are provided in a bill (S-3560) by Senate Judiciary Committee Chmn. Eastland (D-Miss.). The measure, approved by the Justice Dept. & Eastland's Committee, amends the U.S. Code to extend anti-sabotage penalties which apply now only to govt.-owned or operated facilities. A similar House bill (HR-8138) was introduced last year by Rep. Dowdy (D-Tex.).

Equal network time for Adlai Stevenson to answer President Eisenhower's May 25 TV-radio report on the Paris Summit Conference failure has been asked by 47 House members & 8 Senators, all Democrats. Released by Sen. Monroney (Okla.), a telegram bearing the 55 signatures "respectfully" requested Democratic National Chmn. Paul Butler to seek a half-hour June 1 from the networks in which Stevenson could "discuss in a constructive way our party's position."

FCC control of CATV receiving towers is provided in a Commission-recommended bill (HR-11877) introduced by House Commerce Committee Chmn. Harris (D-Ark.). His measure is similar to one (S-3343) sponsored by Senate Commerce Committee Chmn. Magnuson (D-Wash.) at FCC's request (Vol. 16:17 p10).

# Television Digest

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**Personals:** William Randolph Hearst Jr. named Hearst Corp. chmn., succeeding Martin Huberth, named exec. committee chmn. Hearst Corp. owns WBAL-TV & WBAL Baltimore, WISN-TV & WISN Milwaukee, WCAE radio Pittsburgh, 50% of WTAE Pittsburgh.

George H. Allen ex-gen. mgr. & asst. publisher of *McCall's* magazine and formerly with the Cooperative Analysis of Bestg. and WOR radio, appointed Meredith Publishing Co. special asst. to the pres. . . . Charles P. Ginsburg promoted to advanced video development mgr., Ampex Professional Products, succeeded as video engineering mgr. by Lawrence (Larry) Weiland, formerly NBC engineering advanced planning mgr.

Rogan Jones, the veteran Bellingham (Wash.) broadcaster (KVOS-TV & KVOS), having failed in his efforts to secure TV franchises in Nigeria, is now reported seeking them in several Eastern African countries, offering to install automated equipment costing about \$50,000 per transmitter . . . Roy Thomson, Canadian TV-radio station owner (CKWS-TV & CKWS Kingston and CHEX-TV & CHEX Peterborough, Ont.), newspaper publisher and chmn. of Scottish TV Ltd., was guest May 18 at an informal "meet-the-people" luncheon given by Queen Elizabeth and the Duke of Edinburgh; Thomson, who publishes the *St. Petersburg (Fla.) Independent* and the *Glasgow Scotsman*, has also been revealed as a stockholder in the new TV station project due for debut in Nov. in Salisbury, Rhodesia.

Mortimer Weinbach, ABC vp & gen. counsel, designated by network to represent it on NAB radio board, replacing Edward J. DeGray, who resigned in April as ABC radio pres. (Vol. 16:16 p14) . . . Betty Jane Southard, ex-NLRB, and Morris J. Levin, ex-Post Office, join communications law firm of Roberts & McInnis.

C. Wrede Petersmeyer, Corinthian Bestg. Corp. pres. & dir., elected to board of trustees of Committee for Economic Development . . . John F. Dickinson, vp of Harrington, Righter & Parsons reps, elected a dir. . . . William W. Joyce, vp-TV sales mgr., Katz Agency Chicago office, named mgr. of Detroit office; Alan T. Axtell, St. Louis office mgr., named TV sales mgr., Chicago office; James E. Muse replaces Axtell in St. Louis office.

RCA-NBC counsel Cahill, Gordon, Reindel & Ohl has moved to 80 Pine St., N.Y.

RTES-Broadcast Pioneers recent luncheon named the following as industry's "oldest" (in service, not age) members: oldest member of RTES, William Hedges, vp, NBC. Oldest best. licensee, Ida A. McNeil, KGFX Pierre, S.D. Oldest announcer or on-the-air personality, Thomas H. Cowan, chief announcer, WNYC N.Y. Oldest script writer still at it, Goodman Ace. Oldest performer, Wendell Hall. Most venerable public-service broadcaster, Miss Judith Waller, consultant, NBC Chicago. Most ancient radio producer, Julius F. Seebach, producer-consultant, N.Y. Oldest engineer, Raymond F. Guy, NBC. Oldest station salesman, Arthur M. Tolchin, WMGM N.Y. Oldest program mgr., John Royal, NBC. Oldest rep salesman, Edward Voynow, Petry Co., Chicago. Oldest transcription salesman, Charles Michelson, N.Y. Agency timebuyer around the longest, Elizabeth Black, Cohen, Dowd & Aleshire, N.Y.

Frank V. Bremer, broadcasting pioneer who served for more than 50 years service with the same station & its predecessors, retired last week. In 1908, Bremer founded an amateur spark station (call letters FV) in Newark, which in 1919 acquired the first CW transmitter and operated under the call 2-IA, becoming commercial station WAAT in 1922. In 1948 Bremer founded companion station WATV (Ch. 13), serving as engineering vp of the TV & AM outlets. WATV & WAAT were sold in 1958 to NTA and call letters changed to WNTA-TV & WNTA. Bremer, who has been consultant to WNTA-TV & WNTA for the last 2 years, was honored May 26 in special ceremonies by the stations' officials.

Canadian CATV operators elected J. C. Couture (Victoriaville, Que.) pres. of the National Community Antenna TV Assn. of Canada at its 4th annual convention in Montreal. Other NCATA officers: A. Cross (Rediffusion Inc., Montreal), vp. Kenneth J. Easton (Toronto), secy. Omer Girard (Magog, Que.), treas. NCATA directors are P. Guerette (Kedgewick, N.B.), A. Rousseau (Sherbrooke, Que.), J. Beauchemin (Shawinigan, Que.), J. Poulin (St. George de Beauce, Que.), W. H. Cranston (Midland, Ont.), F. T. Metcalf (Guelph, Ont.), G. W. Rymal (Hamilton, Ont.), I. Switzer (Saskatoon, Sask.), B. Shepard (Vancouver, B.C.), I. H. Holloway (Port Alberni, B.C.).

NAB's TV Finance Committee will be headed for the 1960-61 term by W. D. (Dub) Rogers (KDUB-TV Lubbock, Tex.), succeeding C. Howard Lane (KOIN-TV Portland, Ore.). Chmn. of the Radio Finance Committee is Merrill Lindsay (WSOY Decatur, Ill.). They will be co-chairmen of the General Fund Finance Committee. The NAB Policy Committee headed by Clair R. McCollough (Steinman Stations), which announced the appointments, also named Dwight W. Martin (WAFB-TV Baton Rouge) & John F. Patt (WJRT Flint) as co-chairmen of By-Laws Committee.

New NAB TV Code Affairs staffer in the Washington office is James J. Gillis, 33, appointed exec. asst. to dir. Edward H. Bronson. Gillis, a graduate of Notre Dame, where he majored in journalism & radio, has worked since 1952 in the Justice Dept., assigned to administrative work in FBI offices. In his new job, which was authorized in the TV Board's Code expansion program (Vol. 16:13 p5), he'll report to asst. TV Code affairs dir. Harry H. Ward.

Washington State Assn. of Bcstrs. elects: Chmn., W. W. Warren (KOMO-TV & KOMO Seattle). Pres., Ronald A. Murphy (radio KUEN Wenatchee). Vp Thomas C. Bostic (KIMA-TV Yakima, 2 TV satellites & 3 radio stations). Secy.-treas., Allen Miller (KWSC Pullman).

# Consumer Electronics . . .

MANUFACTURING, DISTRIBUTION, FINANCE

**U.S. & JAPANESE OUTPUT COMPARED:** Differences between U.S. & Japanese electronics industries stand out sharply in the table on page 19, which compares 1959 factory output of the 2 countries in selected product categories.

It shows the strength & capacity of Japan's consumer-electronics plant—which accounted for 57% of that country's electronics output, as compared with the 22% of total U.S. electronics industry output represented by consumer goods. Japan last year produced 66% as many radios as did the U.S. (including twice as many transistor sets as were produced here), 44% as many TVs.

Cost differences show up strongly. Japan produced more transistors than did the U.S. last year, but their total factory value was only 20% of U.S. transistor output. The total output of Japan's electronics industry last year was computed at \$935.7 million. Using a comparable method of figuring, U.S. electronics output would total more than \$11 billion—or nearly 12 times as much.

The unit & dollar output comparisons were developed by us from figures supplied by the electronics div. of Commerce Dept.'s Business & Defense Services Administration (Japanese production) and EIA (U.S.).

**REVERBERATION—NEW STEREO GADGET:** "Electronic echo" will be big new feature this fall for high-end stereo units of at least 3 big manufacturers. "Reverberation" concept, used for many years by record companies to enhance feeling of "presence" in symphonic recordings and to make rock-&-roll vocalists sound like singers, is being applied for first time to home music instruments.

Philco & Zenith are already on record as planning to use a reverberation unit developed by Hammond Organ Co. last year for its electronic organs. Another "major manufacturer"—possibly Motorola—is due to use the device. Motorola officials declined comment, stating only that stereo line will be shown in Aug.

We attended demonstration of Philco unit—called "Reverbaphone"—last week. Our opinion is that it is a highly demonstrable gadget, probably a real selling point if properly used by dealers. When used with such "large-group" music as symphonies, operas, big choruses, we found it provides definite illusion of a larger space—achieving much of the "concert-hall realism" claimed for it.

Philco's version of the unit has 4-position switch which varies the "delay time" between original music and echo. The greater the delay, the greater the illusion of spaciousness. It can also be turned off completely, of course. It will be incorporated in all Philco phono units listing at over \$300, first deliveries by June 15.

Basic Hammond Organ reverberation unit is relatively simple—no tubes or transistors, just couple of coils of wire running through small magnets—whole item being about the size of a necktie box. These 2 delay lines generate the echo or reverberant component from the signal source, feeding it to the amplifiers a few microseconds after the original signal. Reverberation is applied only to the middle frequencies—200-4,000 cycles. A byproduct of reverberation illusion, as it appeared to us, is enhancement of high-frequency notes.

Reverberation can be applied to all sound sources—monaural or stereo, phono or tape, AM or FM.

Zenith's reverberation unit, called "Reverba-Tone," will have continuously variable control instead of the calibrated 4-step switch of the Philco Reverbaphone.

Hammond Organ treas. Robert H. Nelson told us that 3 "prominent manufacturers of stereo hi-fi equipment" have placed orders for the item. As supplied by Hammond, it contains no controls, and is worked into the circuit by the end-equipment manufacturer, who supplies his own type of control. There are presently no plans to supply it in kit or accessory form to the consumer.

Another method of producing reverberation for home-music systems is planned by Minnesota Mining & CBS Labs in their new 1 $\frac{7}{8}$ -in.-per-sec. tape cartridges. As described last March by CBS Labs Pres. Peter



Goldmark, the pre-recorded tapes will contain an "optional 3rd track" to supply reverberation. Special tape players with a 3rd amplifier would pick up this "much more exciting & realistic sound" (Vol. 16:13 p18).

Whether reverberation will catch consumer's fancy or just inject another element of confusion, only time will tell. Hammond Organ Pres. Stanley M. Sorenson wasn't sure himself at the recent stockholders meeting, when he said: "We believe this is an important development, but it is too early to predict its acceptance and hence its contribution to [Hammond's] earnings."

**PROBLEM FOR IMPORTS—UL APPROVAL:** Imported TV, stereo & appliances will run head-on into a problem which may ban their sale in many cities—lack of approval by Underwriters Laboratories. The exact dimensions of the problem are difficult to determine, but at least one importer plans to set up what amounts to a factory in the U.S. in order to win the necessary safety seal.

There's no complete tally of cities & states which ban sale of electrical equipment not approved by UL—but one importer estimates that they encompass about 10% of market. They include all of Northern California, states of Oregon & Virginia—although in some of these locations a local electrical inspector's okay will substitute for UL's. National Electrical Mfrs. Assn. estimates that 15 years ago some 50 communities had ordinances prohibiting sale of non-approved equipment, but no up-to-date list is available.

UL regulations require inspection of equipment at the factory, using factory-owned facilities & test equipment. Anticipating demands for approval facilities in Japan, UL is now in process of setting up office in Tokyo—as it already has done in England, Belgium, France, Italy, Austria & Israel—solely for purpose of inspecting products destined for U.S. So far, there's been only trickle of UL-approved goods from Europe, Underwriters officials tell us—and none from Japan.

That's because UL inspection procedure is complex to begin with, and facilities for test of foreign-made TVs would compound this complexity many times over. UL regulations require manufacturers to have their own test facilities meeting Underwriters standards. But on top of this, according to UL executive engineer N. H. Davis, every component going into an electrical device—right down to resistors, capacitors and even hook-up wire—must pass UL muster.

Most U.S.-made components have long since been UL-approved, so problems in getting seal on a new-model American TV set, for example, aren't serious. But to begin test & inspection procedures for Japan-made TVs will require approval not only of every set model (at charge of \$1,000 per model plus cost of setting up test facilities), but also prior testing & approval of Japanese components.

One of the largest importers tells us, however, that he plans to win UL approval for his Japanese-made sets. Delmonico International exec. vp Herbert Kabat says that his firm is setting up assembly plant to match Japanese chassis & cabinets with U.S. picture tubes (Vol. 16:20 p17), that UL standards, procedures & tests will be followed—and that he has no doubt Delmonico Japanese TVs will win the UL seal. UL officials concede that approval could be gained by this method, but say that this would necessarily be a vast undertaking—a testimonial to the large scale on which Delmonico views its entry into the TV market.

A big importer of German hi fi, Majestic International, is planning to redesign its German Grundig sets to get the UL tag. According to vp Sam Jenkins, the modifications will be made in the factory with the hope of getting the nod from UL's field man in Germany.

UL problem isn't faced by transistor radios, since they operate on low voltage, present no potential safety hazards. But UL's Davis ventured opinion that transistor TV, which has high-voltage circuit, probably would come under UL scrutiny. Most European hi fis & radios have been sold here without UL seal, avoiding markets where approval is mandatory.

Toshiba enters electric shaver field in the U.S. with a battery-operated rotary shaver with many unique features & accessories: (1) Easel mirror houses 3 flashlight batteries for power. (2) Manicure attachments (felt buffing cylinder, abrasive cylinder for filing, nail clipper). (3) Zipper travel case. The entire package carries a suggested list of \$19.95, is being imported by Transistor World Corp.

Price increases of 5-10% on some capacitors, filters, vibrators & power supplies were announced last week by Cornell-Dubilier.

"Largest airlift ever conducted by a consumer-electronics manufacturer" is claimed by Admiral for its upcoming dealer meetings at Miami Beach (June 3-8) & Las Vegas (June 13-18). For 5,000 dealers, Admiral will run 86 chartered flights to & from Miami, 58 to & from Las Vegas.

"World's first electronic highway" will be demonstrated jointly by RCA & GM at Princeton, N.J. this week (2). Specially-outfitted standard automobiles on the RCA-built roadway will be started, accelerated, steered and stopped electronically.

**RCA'S 1961 TV:** RCA completed the 2-step introduction of its 1961 TV line this week (30) by adding a full range of 30 b&w models and one color set to the 13 color TVs initially announced at the close of its May 17-20 Las Vegas preview for Western distributors & dealers (Vol. 16:21 pp17 & 20). Here are the highlights of the complete b&w and color line, which had its Eastern preview May 25-28 in Miami:

RCA's first 19-in. models and first 23-in. combinations; a top-of-the-line TV tuner, built around the nuvistor tube, which reportedly is "30% more effective" than standard tuners; a series of Henredon-made the-furniture's-the-thing consoles (à la Motorola's Drexel, Capehart's Tomlinson lines); and a new 5-year warranty on TV & radio printed circuitry. RCA also reaffirmed its faith in old-size TV by introducing five 21-in. models and by adding a low-end 17-in. portable (\$159.95 "Campaigner") to the four 17s introduced in March (Vol. 16:13 p21).

Sales Corp. Pres. Jack S. Beldon said the TV tuner heralds "performance substantially beyond anything offered before, including unequalled fringe-area reception." He added: "The new long-range tuner, using RCA's thimble-size nuvistor tube, provides up to 30% better performance in extreme fringe areas than the best tuner previously available. Laboratory & field demonstrations of the new tuner, which will carry the trade name 'New Vista,' have shown us that in these extreme fringe- & difficult-reception areas it is now possible to provide the viewer with a usable TV picture where before reception by any receiver was unacceptable." The "New Vista" tuner is a feature of the 4-model Henredon series and the \$1,000 "Yorkshire" TV-radio-stereo combination. (RCA does not have list prices as such, and all figures noted here are approximate guides.)

#### Greater Price Range, More Variety

Overall, the 1961 RCA b&w line features greater depth & variety and new top & bottom pricing, compared with the year-ago line. Prices range from the \$159.95 "Campaigner" 17-in. portable to the \$1,000 "Yorkshire" 23-in. combo. The 1961 color line (reviewed in Vol. 16:21 pp17 & 20) has the same starting price of \$495, but now ranges up to \$1,500. Beldon said most of the new models are available for immediate shipment, and that distributors will be stocked in time for dealer meetings slated to begin the week of June 6. The Henredon series, however, will not be available until late this summer.

The 4-model Henredon series (3 b&w's, 1 color) marks RCA's first return to the accent-on-furniture, deluxe instrument field since the demise of its elaborate Berkshire series a decade ago. The move reflects increasing consumer appetite for quality instruments housed in discriminating furniture. The b&w Henredons: "Cherbourg" lowboy (\$800), "Bellini" Italian provincial (\$850), "Wallington" lowboy (\$850). These models feature 23-in. 110-degree bonded tubes, 5-function remote controls, fold-back doors. The 4th Henredon is the 21-in. color "Manchester" lowboy console (\$1,400), which has a 7-function remote control, fold-back doors.

RCA's first 19-in. TV line comprises 3 table models, ranging from \$199.95 to a remote-equipped \$279.95 set. The 19s use bonded tubes. The complete 23-in. line embraces 21 models, ranging from a \$219.95 table to the Henredon consoles and including 3 combinations priced from \$595 to the \$1,000 "Yorkshire." The new 21-in. TVs include 2 tables (\$199.95 & \$209.95), 2 consolettes (\$249.95

& \$259.95), a console (\$259.95). No new stereo equipment was shown, but is expected to be dropped in later.

\* \* \*

RCA's first FM-only radios were announced last week by Sales Corp. vp Ray Saxon who forecast record industry sales of 750,000 AM-FM radios in 1960. He reported that RCA's first-quarter sales of AM-FM radios were up 40% over the year-ago quarter. The 2 new FM-only radios are priced at \$39.95 & \$42.95. RCA also announced 2 new AM-FM models: a \$54.95 set and a deluxe \$79.95 table model which features automatic frequency control.

**EIA Actions:** Labeling of electronic equipment using imported components was sought by EIA's tube & semiconductor div. at the manufacturer group's annual convention in Chicago (Vol. 16:21 pp18-23). In a resolution, the division asked the EIA staff to seek FTC fair trade practice hearings to discuss labeling.

In addition to those convention actions reported here last week, EIA announced these actions were taken in the various closed-door meetings:

(1) The board of directors endorsed legislation requiring Walsh-Healey & Bacon-Davis minimum wage determinations to conform with the Fair Labor Standards Act. In organizational changes, it redefined the qualifications for active & associate membership, and authorized a proxy membership meeting to vote on increasing directors representing the tube & semiconductor div. from 6 to 8.

(2) The board approved legislative-policy committee recommendations supporting HR-7123 to permit income-tax deductions for certain expenses incurred in normal legislative activities. It opposed provisions of HR-10959 which would require reporting of retired military officers employed by defense contractors. It also opposed HR-9996 "which would permit the dumping of foreign surplus parts & equipment in the U.S. unless the Secy. of Commerce determines such action would be injurious to the economy."

(3) The industrial electronics div. formed an instrumentation section (Howard Allen, General Mills, chmn.) and an educational-systems mktg. committee (Philip Jacobsen, Motorola, chmn.).

(4) Outgoing Pres. D. R. Hull appointed a President's Advisory Committee, as previously approved by the EIA board, to represent the electronics industry in advising new Pres. L. Berkley Davis on matters requiring high-level contacts. Advisory committee members are North American Aviation Pres. J. L. Atwood, Packard Bell Pres. Robert S. Bell, J-B-T Instruments Pres. Robert M. Bixler, Siegler Pres. John G. Brooks, Sperry Gyroscope Pres. Carl A. Frische, Motorola Pres. Robert W. Galvin, Hoffman Electronics Pres. H. Leslie Hoffman, Hazeltine Chmn. W. A. MacDonald, Muter Co. Pres. Leslie F. Muter, Stromberg-Carlson Pres. James D. McLean, Philco Pres. James M. Skinner Jr., Sprague Electric Chmn. Robert C. Sprague, Litton Industries Pres. Charles B. Thornton.

(5) Ten new companies were approved for EIA membership: Astron Electro-Dynamics Corp., Hialeah, Fla.; Crowley div., A. O. Smith Corp., West Orange, N.J.; Crystalonics Inc., Cambridge, Mass.; Erskine Precision Wire Corp., Emporium, Pa.; Lear Inc., Santa Monica; Electronic Chemicals div., Merck & Co., Rahway, N.J.; Microwave Electronic Tube Co., Salem, Mass.; Simplex Wire & Cable, Cambridge, Mass.; Weller Electric Corp., Easton, Pa.; Wilmington Group Inc., Wilmington, Del.

**SALES, OUTPUT UP:** First-quarter retail sales of TV sets were 16% higher than last year's first quarter, while radio sales were up 23% for the period, according to official EIA figures, released last week. TV sales for March totaled 501,829 sets, up from 425,751 in March 1959, while March radio sales totaled 664,441 vs. 515,563 in March 1959.

TV-radio production also showed a rise for the 3 months. Output of uhf-equipped sets for the period was 139,067, compared with 102,631 in the 1959 period and 121,213 for the first quarter of 1958. FM-set output took a big jump in March, to 83,127, compared with only 32,112 in March 1959. Here are EIA's monthly production-sales figures for 1960's first quarter:

**TELEVISION**

Month	Total Production	Uhf Production	Retail Sales
January	526,494	50,119	590,867
February	503,453	43,537	507,673
March	549,500	45,411	501,829
Jan.-Mar. 1960	1,579,447	139,067	1,600,369
Jan.-Mar. 1959	1,390,550	102,631	1,375,628

**RADIO**

Month	Total Production	Auto Radio Production	FM Radio Production	Retail Sales (excl. auto)
January	1,355,788	632,461	33,816	803,388
February	1,442,368	596,872	50,963	611,479
March	1,667,550	633,761	83,127	664,441
Jan.-Mar. 1960	4,465,706	1,863,094	167,906	2,079,308
Jan.-Mar. 1959	3,597,676	1,363,822	92,374	1,690,941

**Electronic Export Beefs:** It's getting tougher for U.S. manufacturers of TV, radios, phonos and other electronic products to compete freely in foreign markets, the Commerce Dept.'s Bureau of Foreign Commerce was told last week by spokesmen for the industry.

In one of a series of Washington meetings called by the Bureau and Business & Defense Services Administration to help American industry develop exports, electronics producers & traders complained about worsening trade restrictions in Latin America, Europe, Middle & Far East.

In many cases, they said, foreign controls have resulted in exclusion of U.S. products—even where local industry can't meet a country's needs. They were asked by Asst. Commerce Secy. Carl F. Oechsle to furnish examples of difficulties experienced in attempts to make sales abroad.

EIA was represented at the conference by exec. vp James D. Secrest & international dept. mgr. Tyler Nourse. Others participating included S. T. Harris (Texas Instruments), E. J. Girard (Standard Electric), R. C. Frost (Collins), Ray C. Ellis (Raytheon), Hans Mannheims (International Resistance), F. A. Mazzarco (Westinghouse), John A. Miguel Jr. (Zenith), H. Deming (GE), Charles D. Cushman (RCA), Ad. Auriema (Ad. Auriema Inc.), Robert Adams (Packard Bell), Leonard K. Adams (Fansteel Metallurgical), George T. Scharffenberger (Westrex), Dudley Scholten (Sylvania), E. Del Smith (Leach), Frank Thomas (Fratthom).

**Obituary**

Georges Claude, 89, inventor of the neon light, died May 23 at his home in St. Cloud, France. Successor to the U.S. company formed in 1924 to exploit his invention (Claude Neon Lights Inc.) is Dynamics Corp. of America, manufacturer of electronics equipment and TV transmitters.

**More about**

**U.S.-JAPAN COMPARISON:** The table below compares 1959 factory output in selected electronic product categories in U.S. & Japan (see p. 16). Some of the figures aren't directly comparable, because of product definitions or methods of calculation. The total of Japanese production, as computed by Commerce Dept., contains some duplication, since components used in end-products are included in both the component (or tube or transistor) category and in the value of the end-product. EIA figures, on the other hand, don't have this duplication, as components used in end equipment manufacture aren't included in the grand total.

Most of the U.S. figures represent factory sales, while Japanese figures are identified as production. In the table below, quantities are in thousands of units, values in millions of dollars.

U.S. & JAPANESE ELECTRONICS OUTPUT, 1959

Product	United States		Japan	
	Quan. (000)	\$(000,000)	Quan. (000)	\$(000,000)
<b>TOTAL ELECTRONICS</b>		(\$9,200.0)*		\$935.7
<b>Consumer Electronics</b>		2,000.0		531.4
TV receivers (including kits)	6,349.4	896.4	2,873.0	336.4
Total radios	15,622.0	330.9	10,025.2	156.6
Tube type	11,700.4	†	2,103.5	33.5
Transistor	3,921.6	†	7,921.7	131.4
Total phonos	4,390.0	373.0	873.1	21.9
Radio-phonos	829.0	†	222.8	10.9
Phonos	3,475.0	†	84.3	2.6
Record players	86.0	†	565.9	8.5
Recorders	650.0†	120.0†	232.4	14.5
Other consumer elec.		259.7		1.8
<b>Commercial, Industrial</b>				
Military		6,300.0		110.6
<b>Electron Tubes</b>		775.0		141.1
Receiving	432,936.0	368.8	118,637.9	71.9
TV picture	9,522.5	138.8	3,211.3	59.4
Transmitting & special purpose	†	222.4	2,365.6	6.6
<b>Semiconductor devices</b>		377.0		52.9
Transistors	82,294.0	222.0	86,500.5	44.5
Diodes & other	†	155.3	41,796.0	8.4
<b>Other components</b>		1,681.0		99.7
Capacitors	†	267.0	727,620.0	31.9
Resistors	†	194.0	555,095.0	15.3
Transformers	†	129.0	23,212.7	14.9
Speakers	†	**	9,902.9	11.5
Other	†	1,091.0		26.1

\* Not directly comparable with Japanese over-all total. If computed on the same basis, U.S. total probably would exceed \$11 billion.

† Not available.

‡ Estimate.

\*\* Included in "other."

U.S. dollar equivalents converted from yen at rate of 360 yen = \$1.

**Trade Personals:** Henry E. Bowes, former mktg. vp, becomes vp-gen. mgr., Philco consumer products div., in a top-level realignment of consumer products executives. He succeeds Larry F. Hardy, who takes new post of public relations vp. Bowes is succeeded as mktg. vp by Robert G. Urban, former vp & asst. to Bowes. Frederick D. Ogilby, ex-vp & dir. of mkt. planning, becomes sales dir.

Joseph B. Elliott, onetime RCA Victor consumer products exec. vp, June 1 joins Borg-Warner Corp. as pres.-gen. mgr. of its York div. (air conditioners). Elliott is exec. vp of Raymond Rosen Inc., Philadelphia RCA distributor, and will remain on the Raymond Rosen board. He served with RCA from 1935 to 1954, except for a period in 1944-45 when he was sales & advertising vp of Schick Inc. He re-joined Schick in 1954 as pres., joining Rosen in 1956 and becoming pres. of Rosen's communications equipment manufacturing subsidiary Tele-Dynamics Inc., which was sold this year to American Bosch Arma (Vol. 16:6 p21). He is chmn. of EIA's small business committee.

## Finance

General Instrument Corp., whose merger with General Transistor Corp. has been agreed on "in principle" (Vol. 16:21 p24), reports that the fiscal year ended Feb. 29 was the "most successful" in its 37-year history, with record sales & profits—pre-tax earnings up 117%, net earnings 59%, sales 21%. Chmn. Martin H. Benedek projected further sales & earnings records for the current fiscal year. The company, he said in the annual report, has achieved its goal of a 50-50 mix between military-industrial & entertainment electronic products. Military backlog is currently about \$37 million, an all-time high, up from \$30 million Feb. 29 and \$15,925,000 a year earlier. At the end of the fiscal year, current assets were \$19,915,029, current liabilities \$8,127,779, working capital \$11,787,250. Working capital has since been increased to \$16,787,250. For 12 months to the end of Feb:

	1960	1959
Sales .....	\$56,175,270	\$46,562,300
Net profits .....	2,104,547	1,317,828
Earned per share' .....	1.37	93¢
Shares outstanding .....	1,534,123	1,416,173

Clevite Corp. anticipates a sag in 2nd-quarter sales & earnings from the \$1.21 a share on \$25,978,895 sales posted in the first quarter. However, Pres. William G. Laffer forecast that first-half sales will total about \$50 million, up from \$42.8 million a year ago, and will produce a net of more than \$2 a share vs. \$1.78 in 1959's first half. For the 1960 year, he added, "we're still saying earnings will be at least \$3.75 a share, up from \$3.36 in 1959, with sales showing a 10-12% gain over 1959 to some \$95 million." Clevite's most marked gains will be scored by electronic components, which now account for 40% of total volume, Laffer noted. He said that a major portion of the \$10 million earmarked for 1960 capital expenditure will go for expanded production of both germanium & silicon transistors & diodes. Clevite recently acquired Shockley Transistor Corp. from Beckman Instruments (Vol. 16:17 p19).

Ling-Altec Electronics and Temco Aircraft boards have approved the proposed merger into Ling-Temco Electronics Inc. (Vol. 16:18 p23), and the consolidation is now subject to the agreement of stockholders. Under newly formulated terms, Temco stockholders would receive for each share of Temco the equivalent of .6% of a share of the new Ling-Temco, comprising .48% of a share of common and .12% share of preferred. Ling-Altec stockholders would exchange one share of Ling-Altec for one share of Ling-Temco common. Ling-Altec Chmn. James J. Ling will be president of Ling-Temco, Temco Pres. Robert McCulloch becoming chairman and Temco exec. vp Clyde Skeen will retain his present post.

Philco has set aside 412,160 shares of common stock for use in its stock-option plan, according to a registration statement (File 2-16597) filed with SEC.

Reports & comments available: Standard Coil Products, report, Schweickart & Co., 29 Broadway, N.Y. 6 . . . Daystrom, analysis, Boenning & Co., 1529 Walnut St., Philadelphia 2 . . . ITT, review, Fahnstock & Co., 65 Broadway, N.Y. 6 . . . Precision Circuits Inc., prospectus, Myron A. Lomasney & Co., 39 Broadway, N.Y. 6 . . . Electronic Assistance Corp., prospectus, Amos Treat & Co. Inc., 79 Wall St., N.Y. 5 . . . Keystone Electronics Co., prospectus, J. A. Winston & Co., 11 Broadway, N.Y. 4 . . . Magnavox, report, Dempsey-Tegeler & Co., 210 W. 7th St., Los Angeles 14.

Beckman Instruments, Fullerton, Cal. maker of electronic components & instruments, anticipates record sales & profits for the 1960 fiscal year ending June 30. Financial vp William W. Wright foresees sales of \$55 million and earnings equal to \$2.30 a share (on 1,377,412 shares), compared with fiscal 1959's \$44.7-million sales and per-share earnings of \$1.30 on 1,363,094 shares. "It would not surprise me if we did better than \$55 million," Wright added. "We certainly won't do less." Alluding to Beckman's recent sale of its Shockley Transistor Corp. div. to Clevite Corp. (Vol. 16:17 p19), Wright said the div. had been operating at a loss because of research & experimental costs. He estimated that Shockley's overhead had cost Beckman 17¢ per-share net in the 9 months ended March 31.

Raytheon reports lower profits on higher sales in 1960's first quarter. "Despite somewhat disappointing results in the first quarter, we are optimistic about the outlook for the year as a whole," notes Chmn. Charles F. Adams. "March showed substantial improvement in the trend of sales & earnings over the first 2 months, and, barring unforeseen developments, we expect 1960 to be a better year than 1959." For the first quarter ended April 3:

	1960	1959
Net sales .....	\$134,752,000	\$113,302,000
Net income .....	2,160,000	2,512,000
Per com. share (after pfd.)	56¢	72¢
Common shares .....	3,714,418	3,494,336

Standard Coil Products Co. reports a 47% increase in profits on sales 32% higher than the 1959 period in the first quarter of 1960. Pres. James O. Burke attributed the "exceedingly fine first quarter" results to the company's diversification & expansion program begun several years ago. The company proposes to change its name to Standard Kollsman Industries Inc. subject to approval of stockholders at the June 14 annual meeting. For 3 months ended March 31 (per-share earnings based on 1,983,533 shares outstanding March 31, 1959):

	1960	1959
Sales .....	\$21,871,820	\$16,591,852
Net income .....	572,125	390,397
Earned per share .....	29¢	20¢

Philips' Lamp Works (N. V. Philips' Gloeilampenfabrieken), the big Netherlands-headquartered electrical-electronics firm, reports a 40% increase in profits on 16% more sales for the first quarter, as compared with the same 1959 period. Liquid assets at the end of the period totaled \$177 million vs. \$166 million a year before. Total employees increased to 192,000 from 176,000. For 3 months ended March 31 (converted from guilders at the rate of .265=\$1):

	1960	1959
Sales .....	\$275,865,000	\$237,175,000
Net profit .....	23,055,000	16,430,000

CBS Inc. has filed an SEC registration (File 2-16591) for 72,000 common stock shares to be used in its employees' stock-purchase plan.

Corporation	Common Stock Dividends			Stk. of Record
	Period	Amt.	Payable	
Amphenol-Borg .....	Q	\$0.35	Jun. 30	Jun. 16
Bendix Aviation .....	Q	.60	Jun. 30	Jun. 10
MGM .....	Q	.30	Jul. 15	Jun. 17
Minnesota Mining .....	Stk.	3-for-1	Jun. 10	May 20
Sprague Electric .....	Q	.30	Jun. 14	May 31
Textron Inc. ....	Q	.31 1/4	Jul. 1	Jun. 15
Wells-Gardner .....	Q	.30	Jun. 15	Jun. 2