

**MARTIN CODEL'S**  
AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
OF THE  
VISUAL BROADCASTING  
AND ALLIED ELECTRONICS  
ARTS AND INDUSTRY

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# Television Digest

with **ELECTRONICS REPORTS**

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**FAR-REACHING NETWORK CHANGES** proposed in Plotkin memorandum to Senate Committee—but neither FCC nor Congress is seen disposed to go along (pp. 1 & 8).

**SENATE'S INVESTIGATION OF TV** may run gumut from programming to fee TV to newspaper ownership, but its keystone is controversial Plotkin memorandum (p. 2).

**4 UHF's GOING OFF AIR**—Milwaukee's WCAN-TV, Albany's WTRI, Charleston's WKNA-TV, Oklahoma City's KMPT. New VHF's in Alaska and Missouri (p. 4).

**ELECTRONIC MUSIC SYNTHESIZER** is most remarkable of electronic developments disclosed in progress report by RCA's Gen. Sornoff at AIEE meeting (p. 5).

**CUSTOM-BUILT TRANSMITTER** and camera chains for new Tupelo, Miss. station; Hawaii vhf satellite and Detroit uhf educational transmitters shipped (p. 8).

**FCC GRANTS 3 CPs**—in Savannah, Anderson, Ind. and San Juan, P. R.—as struggles over decisions, channel shifts and sales grow more bitter (p. 10).

**SET SALES EXCEED NORMAL SEASONAL PACE**, some TV makers reporting shipments of or near record; Philco raises price of 4 models (p. 12).

**DR. ALLEN B. DuMONT** scans electronic horizons, reports combination TV-film camera almost ready, speculates on "electronic learning" (p. 10).

**STANDBY PRICE & WAGE CONTROLS** apparently aren't going to be requested by President now, in effort to avoid war "psychology" (p. 14).

**LONG-DISTANCE WAVEGUIDE** successfully tested over 40-mi. distance by Bell Labs, which sees eventual use for carrying network programs to stations (p. 15).

**NBC EXECUTIVES PUSHING COLOR**, making grass-roots speeches; Robert Sornoff urges set makers to pioneer color sponsorships in self interest (p. 15).

**NETWORK TV BILLINGS IN 1954** show tremendous advance over 1953—\$320,154,274 vs. \$227,585,656—according to full-year PIB report (p. 16).

**'PLOTKIN MEMORANDUM' STIRS TEMPEST:** The far-reaching changes in networking practices as suggested by its counsel Harry Plotkin in his report to Senate Interstate & Foreign Commerce Committee this week are unlikely to find wholehearted endorsement by any sizeable segment of the current Congress or by the FCC.

The memorandum submitted by the former FCC asst. gen. counsel on basis of 4-month study for the committee is a staff report, signed only by Plotkin himself, and without stamp of committee approval. Nevertheless, memorandum does have deep significance -- and the key word for the future is "study." It is destined to become a focal point for \$100,000 Senate inquiry (see story, p. 2), a rallying point for many stations and a target for the big networks and some of their affiliates.

Neither Congress, FCC nor Justice Dept. can be expected to fall all over itself to comply with Plotkin's recommendations. On Commission level, it should be remembered that the present members have shown no disposition to support any such substantial changes in the status quo. Obviously, Plotkin himself hardly expects his recommendations to be adopted unchanged. Even during his tenure on Commission staff -- with a chairman, Wayne Coy, who frequently saw eye-to-eye with him -- he was unable to get FCC majority to go along with many of his ideas.

Much depends on the fervor with which Sen. Magnuson pushes for the recommendations. It's known he has received much mail from station operators and others -- but this is his first year as a "TV specialist." Plotkin's principal targets -- CBS & NBC -- are certain to get their innings before the committee, to tell their side of the story. Another critical factor is the new staff for the investigation; with Plotkin gone, the direction may change again.

Plotkin's most controversial proposals: (1) Modify or ban network option time. (2) Require networks to make affiliations available to any station serving "substantially different area" than that served by regular affiliate. (3) Restrict amount of time any vhf station in a market with fewer than 4 vhf outlets can devote

to each network. (4) Bar networks from acting as station reps. (5) Change affiliation contracts which "favor the networks," and make terms of contracts public.

He recommended further study of: (1) Whether networks should be permitted to own stations other than those required for origination of programs. (2) Multiple ownership rules, with suggested 3-station limit. (3) Divorcing TV & radio networks from common ownership.

As to the uhf problem, he said all-uhf allocation would have been preferable in the first place, but it's too late for that now. He strongly backed principle of "selective de-intermixture" and recommended that FCC reconsider all de-intermixture petitions which it has "summarily denied."

He asked that Justice Dept. study whether present network practices violate anti-trust laws and called on FCC to institute formal proceedings looking into AT&T cable-microwave line charges.

To increase uhf set circulation, Plotkin proposed modified form of the bill backed last fall by Potter communications subcommittee to exempt from excise tax all receivers containing uhf tuners. Plotkin version would provide exemption only if the manufacturer devotes entire TV output to all-channel sets, with certificate from a govt. agency required as proof that set will get all channels in home use.

[We have a limited number of copies of full text of Plotkin memorandum, and will send them to subscribers on request, on first-come-first-served basis while they last. For further details of report's highlights, see pp. 8-9.]

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Sen. Magnuson sent copies of report to FCC and to Justice Dept. for comments. Justice was asked to respond within 30 days, FCC to make "first preliminary report" in 30 days, interim progress reports at 60-day intervals, final report in 6 months.

Commission was asked if it agrees with report -- and if not, what corrections should be made. If it agrees it has authority to carry out recommendations, it's requested to report what it has done so far and to "furnish a detailed schedule showing specifically what further steps are planned for the future." If it doesn't believe it has authority, it's asked to recommend legislation.

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Only network comment on Plotkin memorandum came from CBS pres. Frank Stanton, who branded its network proposals as "mistaken, impractical and unwise." If they were adopted, he said, "network TV as it is known today would be gravely crippled and the public's investment of \$13.5 billion in receivers would be substantially depreciated." He added: "The failure to test theories against facts has resulted in unrealistic and extreme proposals. The memorandum attempts to resuscitate concepts and approaches which during the last decade have been specifically and uniformly repudiated by the Congress and the FCC."

Other networks declined comment, though one NBC official stated: "This is a report by one staff member, with no endorsement by any official group."

FCC Chairman McConnaughey will be questioned on Plotkin report when Committee holds hearings on his nomination, Magnuson indicated. He said an "early hearing date" will be set by committee next week, and that both he and Sen. Monroney (D-Okla.) have questions they want to ask McConnaughey.

**TV PROBE PACED BY PLOTKIN MEMORANDUM:** Sen. Magnuson's guarded endorsement of stern medicine for networks, as proposed in Plotkin memorandum (see story above), heralds a rough-&-tumble year ahead in Congress for telecasting industry.

Fanning the controversy will be next week's release of report by ex-FCC Comr. Robert F. Jones, co-counsel for the Senate inquiry under the aegis of former committee Chairman Bricker (R-O.). Jones is expected to push common carrier concept of networks and reiterate his dissent from FCC allocation plan -- and it begins to look as if industry's legislative representatives will be kept busy this session of Congress. Bricker, incidentally, has re-introduced his bill to give FCC control over networks (S-825), which was starting point for the whole investigation.

In his first public comments on TV problems, Chairman Magnuson (D-Wash.) gave

the distinct impression this week that TV investigation will be the major project of his Interstate & Foreign Commerce Committee.

The Senator's principal concern -- as he told press conference -- is for "the owners of the more than 30,000,000 TV sets, 55% of which have been purchased on credit." He is disturbed, he says, lest TV sets be "obsoleted even before they are taken home from the store" -- presumably by developments in uhf, color and fee TV.

More than \$100,000 will be spent for investigations of TV and other communications matters, Sen. Magnuson indicated this week -- or over half of the \$200,000 approved by Senate this week for 1955 Commerce Committee "studies & investigations." Senate's action permits the hiring of staff of 9 to investigate TV-communications, at total salaries of \$60,929 for year. Headed by chief counsel -- whom Magnuson says will be appointed within 2 weeks -- staff will include asst. counsel, research analyst, technical consultant, communications rate consultant, clerical employes.

Committee's TV investigations will cover just about everything from "abuses within the FCC" to televised boxing, according to Magnuson pronouncements -- but the contents of Plotkin report are expected to be keystone. While the Senator's formal statement on the report was non-committal, in answer to a question he declared: "I would say offhand that I approve a lot of it."

Neither Plotkin nor Jones will remain on staff for new investigation, both having returned to their private communications law practices. Inquiry is not due to begin until both FCC and Justice Dept. have had 30 days to give their opinions of Plotkin memorandum. But Magnuson's statements indicate the directions he currently wants the investigation to take.

He already has asked ex-Sen. Clarence Dill (D-Wash.), co-author of original Communications Act, to "take the Plotkin memorandum and make legislative recommendations for changes in the Communications Act." This assignment may well put Dill in a pickle, since Plotkin says in his report that he feels no legislation necessary, that FCC and Justice Dept. have "ample authority under present statutes."

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These are the phases of TV which need study, according to Magnuson's written and spoken views on the subject:

(1) FCC -- "It is now more than 2 decades since the Communications Act of 1934 was enacted. No comprehensive study or analysis -- no survey broad enough to appraise the developments in this field during the past 20 years -- has, to my knowledge, taken place during that time. [Congress and FCC have] a continuing responsibility to insure that law and regulations are kept abreast of the growth of the industry and the needs of the American people; that procedures do not serve bureaucrats and lawyers first and the people second or last..."

"I, myself, have been distressed by the delays in getting decisions from regulatory bodies like the FCC...I am informed that some Commission hearings have taken years to complete and that rules of evidence are followed which result in irrelevant and unnecessary testimony." Magnuson also said he was "concerned" about FCC's attitude toward newspaper ownership, but did not elaborate.

(2) Programming -- "This inquiry -- I suppose, one facet of it -- will go into programming," he told press conference. "We might have some very salient recommendations as to types of programming." He later modified statement to say that "the industry does a remarkable job of policing itself," and that his concern was mainly with "availability of programs."

(3) Spectrum utilization -- Military vs. civilian use of frequencies is "one of the things we're going to look into," he said at press conference. "What use are the military making of the parts of the spectrum suited to TV?"

(4) Subscription TV -- "It is already clear that many hundreds of American towns and cities will never have their own TV stations under the existing system... One proposal that has been advanced, with the support of many TV station licensees, is to authorize a fee system whereby viewers would pay for some programs...This toll TV (applications have been before the FCC for more than a year) will require some

study by this committee since it is pertinent to the uhf problem in particular and since the economic health of the entire TV industry is involved."

(5) Line charges -- "The committee also believes that constant surveillance must be maintained over common-carrier communications operations, such as the telephone service. It has noted in the past 2 years a mounting number of complaints from broadcast licensees on the high cost of interconnections for TV stations, coupled with an inadequacy of services to cities which do not lie athwart transcontinental cable and microwave lines."

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There's an aura of rivalry between Commerce Committee and Judiciary Committee, whose Chairman Kilgore (D-W.Va.) has announced "TV monopoly" investigation, which would appear to cover much the same ground as Magnuson's inquiry. Magnuson said this week he had conferred with Kilgore Feb. 1, and was assured latter's probe would be concerned only with "legalistic monopoly features" of network field. Magnuson speculated that Judiciary Committee does not have jurisdiction over much of the territory it has announced it will cover.

"There's bound to be considerable duplication," he said -- and then asked rhetorically: "Will the Rules Committee approve an appropriation for the Judiciary Committee after it has already approved one for Commerce for the same purpose?"

**4 UHF's LEAVING AIR AS 2 VHF's BEGIN:** New stations went on air in Jefferson City, Mo. and Fairbanks, Alaska, this week -- even as uhf WTRI, Albany, went dark, and Lou Poller's WCAN-TV, Milwaukee, and other uhf outlets in Oklahoma City and Charleston, W.Va. indicated they intend to call it quits, at least temporarily. Number of on-air stations thus will be reduced to 425, of which 114 are uhf. Week's starters:

KRCG, Jefferson City (Ch. 13), which becomes CBS affiliate Feb. 13, started test patterns Feb. 3, wires owner Mrs. Betty G. Handy. Call letters are in memory of her late father, Robert C. Goshorn, who applied for the channel before freeze. Family also controls local radio KWOS and Jefferson City Capital News & Post Tribune. RCA 10-kw transmitter and 500-ft. Stainless tower with 12-bay antenna are located at Callaway Hills Farm, 10 mi. SE of Columbia, where U of Missouri operates commercial KOMU-TV. Mrs. Handy is gen. mgr.; Ralph Rose, program director; Ed Schuelein, ex-WDAF-TV, Kansas City, chief engineer. Base rate is \$200. Rep is Hoag-Blair.

KFAR-TV, Fairbanks (Ch. 2) began test patterns Feb. 2, plans program debut on March 1, wires Al Bramstedt, gen. mgr. of licensee Midnight Sun Bcstg. Co. Station changed its call letters this week from KFIF, claims to be "northernmost TV station in the world by 150 ft." Second Fairbanks outlet, KTVF (Ch. 11), is due to start in week or so. Midnight Sun recently bought control of KFAR-TV and KFIA, Anchorage, for \$100,000 from Richard R. Rollins, who retains 19% (Vol. 10:47 & 11:1). Principal owner is Lathrop Co., operating 4 Alaska AM stations and other Territory enterprises. KFAR-TV has 2-kw RCA transmitter, 3-bay antenna on guyed tripod tower atop Lathrop Bldg. Base rate is \$150. Reps are Weed and Moore & Lund (Pacific northwest).

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Network problems and vhf competition are blamed for week's uhf casualties. WTRI, Albany-Schenectady-Troy (Ch. 35) attributed its Jan. 31 suspension to loss of CBS affiliation to WROW-TV (Ch. 41). Headed by Col. Harry C. Wilder and half-owned by Stanley Warner Theatres, WTRI started last Feb., later built new studios, bringing investment close to \$1,000,000. WTRI has been protesting sale of WROW-TV to group headed by Lowell Thomas, alleging that he had "secret" agreement with CBS to switch affiliations. Last week, in appeals court, WTRI counsel Paul Porter sought stay of sale, stating WTRI would go off air if switch in affiliation went into effect Feb. 1. Court denied stay. FCC is considering protest, has scheduled oral argument Feb. 14.

WCAN-TV, Milwaukee (Ch. 25) plans to suspend operation Feb. 20, when new CBS-owned WXIX (Ch. 19) starts operating there under mgr. Edmund C. Bunker, ex-KNXT, Los Angeles (Vol. 11:5). Managed and principally owned by Lou Poller, WCAN-TV as a CBS affiliate was reputed to be one of most successful uhf operations, having earned net profit of \$174,000 in first 10 months of 1954 (Vol. 11:5). CBS crew takes over WCAN-TV studio and transmitter site under \$650,000 deal to purchase its physical facilities

coincidental with CBS purchase of WOKY-TV (Ch. 19) for \$350,000 (Vol. 10:43). Though WOKY-TV's former studios go to Poller, he has gone to Florida until April, has dismissed mgr. Burt Levine and staff as of Feb. 20. Last week Poller asked FCC permission to sell unprofitable radio WCAN to owners of local WEMP (Vol. 11:5).

WKNA-TV, Charleston, W.Va. (Ch. 49), which went on air in Sept. 1953, reverts to CP status Feb. 12. Owner Joe L. Smith blamed vhf competition and difficulties of uhf propagation in mountainous terrain. "We've got to stop and take bearings," he asserted. "After all, it's very hard to try to shoot a bear for yourself if you're armed with a BB gun and the rest of the party have high-powered rifles -- especially when you're after the same bear." Smith said he will not dispose of his equipment, in hopes of resuming telecasting. He says he has no immediate plans to exercise 40% option he holds for WOAY-TV, Oak Hill (Ch. 8), with which he had joint time-selling arrangement. He intends to concentrate on his AMS in Charleston and Beckley.

KMPT, Oklahoma City (Ch. 19), which has been in receivership for nearly year, got FCC permission Feb. 4 to go off air. Local attorney Everett Cotter is receiver. Station went on air in Nov. 1953, was headed by Byrne Ross (KLPR), principally owned by theatreman R. Lewis Barton.

**PUSHING BACK THE ELECTRONIC FRONTIER:** "Electronic music synthesizer" -- a startling new device that can create any sounds known or imagined by man, including those produced by voice or by any musical instrument -- was unveiled this week by RCA chairman David Sarnoff, speaking before the American Institute of Electrical Engineers.

It was a startling addition to progress reports on 3 devices which in 1951 (Vol. 7:39) he challenged RCA scientists to develop by 1956 when he observes his own 50th year in electronics, namely: (1) TV tape recorder. (2) Light amplifier. (3) Electronic air conditioner.

Gen. Sarnoff disclosed progress on the tape recorder in 1953 (Vol. 9:49) and on the light amplifier last year (Vol. 10:52). They literally indicate reality out of fantasy -- but his demonstration of the "synthesizer" via film and tape recording produced effects that left observers awestruck.

Wrote N.Y. Times music critic Howard Taubman: "The piano tone this observer heard in an excerpt from a Chopin Polonaise was like that of a Steinway grand. A Bach excerpt was close enough to a clavichord to be credible. 'Holy Night' was played as though an electric organ had been used. A Stephen Foster medley was made to sound as if it came from a believable hillbilly band."

"It can mimic any instrument electronically," wrote Herald Tribune's J. S. Harrison, "and only an extremely sensitive ear could detect discrepancies in tone. There were moments when the peculiar sonority of an electronically produced tone was discernible...But in the simulation of instruments of the piano family, the synthesizer performed like a concert grand."

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Everyone's imagination was jarred into action. Some visualized creation of a complete symphony without musicians, or an aged singer re-creating his voice in the full vigor of his prime -- or even the fabrication, for psychological warfare, of a speech that was never delivered, in the voice of any desired person. Others looked for more immediate uses in helping the deaf to speak, in teaching musicians, in recording and reproducing sound, in improving communications of all kinds.

Principle of synthesizer is that any sound can be broken down into specific components -- frequency, intensity, growth, duration, decay, etc. -- and that these can be created individually and combined electronically to produce any sound. The "composer" presses series of keys, like those on typewriter keyboard, punching a tape. Tape activates some 300 circuits, producing the sound.

System is very complicated at present, involves some 2 tons of equipment. The sound of only one instrument or voice can be produced at one time -- so it would require tedious re-runs of tape to build up effect of orchestra or choir.

Despite capabilities of the synthesizer, Gen. Sarnoff carefully reminded: "The vital factors of correct 'interpretation' of the music written by the composer

-- the heart, the soul and the mood of the composition -- will continue to be the task and function of the human being who synthesizes the music from the score."

Development was under direction of Dr. Harry F. Olson, the genius in acoustics who also supervised work on TV tape and recently described method of reducing noise by projecting sounds out of phase with the noise.

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An electronic cooler without moving parts, also disclosed by Gen. Sarnoff, was of greater commercial interest. Employing principle discovered more than 120 years ago by French physicist Jean Charles Peltier, RCA scientists have built a device capable of making 6 oz. of ice. It was made clear that commercially practicable refrigerator, freezer or air-conditioner is still in future.

Peltier discovered that a cooling or heating effect was produced when electric current passed through dissimilar metals. This has remained only a "scientific curiosity," Sarnoff said, until recent discoveries in solid-state physics and new alloys made possible greater and greater cooling effects.

Memorandum submitted by RCA's Nils E. Lindenblad stated that best performance achieved prior to RCA's work was temperature drop of 9 degrees Centigrade. "The new alloys developed by RCA," he said, "achieve a temperature drop several times greater, and our continuing quest for improved materials so far has discovered no indication that a limit has been reached." At present, running water is used to carry away heat produced in cooling process, but Lindenblad reported "encouraging progress" in development of a closed system would make possible self-contained unit such as is used in standard room air-conditioner. Goal is to dispense with moving parts completely -- even eliminating fan in air-conditioner.

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Prototype TV tape equipment is now being installed at NBC, Gen. Sarnoff said, and he stated that "TV tape recorders for home use are certain to be developed in the future. These will enable the TV set owner to accumulate a library of favorite TV programs which can be seen whenever desired, in the same way that a library of phonograph records now makes it possible to hear favorite records at will."

Dr. Olson's memorandum outlined 3 areas in which tape has been improved: (1) System can now accept and reproduce standard NTSC color signal. (2) Tape speed has been cut from 30 to 20 ft. a second, bringing in sight goal of 19-in. reel with 15-min. program. (3) Fidelity, steadiness and freedom from noise are improved.

Light amplifier was discussed only briefly, having been described recently (Vol. 10:52). Visualizing "mural television," with thin screen on wall, Gen. Sarnoff stated: "Indeed, simplicity, compactness and flexibility will be the features of TV in the future. The electronic light amplifier and tiny transistors...will eliminate the need for using the picture tube and all other electron tubes in a TV set."

Summarizing his report, Gen. Sarnoff told the engineers: "You may wonder what philosophy prompts me to reveal these new developments publicly while they are still in the experimental stage...We welcome competition. It spurs our own activities and increases the possibilities for earlier achievement of desired results...Whether we succeed in completing an invention before others whom we stimulate to work along similar lines, is not as important as it is to bring a new product or a new service into existence and use.

"In helping industry grow and prosper, we believe that we contribute to the public benefit and in the long run, our own as well. If an organization is to progress it must not stand in fear of obsolescence or competition."

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Transatlantic TV cable, made possible through use of transistors, is definitely in realm of possibility, Bell Labs pres. M. J. Kelly told AIEE meeting in New York this week. Such cable, he said, "is a long-range goal worthy of serious study and by no means to be dismissed as impractical of eventual attainment." Phone company officials say transatlantic cable now being laid has much too narrow bandwidth for TV.

Next closed-circuit sessions are Feb. 8 and 9, both featuring talks by President Eisenhower. On Feb. 8, ABC is handling 35-city hookup for Crusade for Freedom. On Feb. 9 Smith, Kline & French pharmaceutical labs is sponsoring one of most elaborate hookups to date, handled by TNT—a "Videoclinic" feeding President's talk and clinical sessions to physicians in 31 cities, with originations in Boston, Cleveland, Washington and New York.

**Personal Notes:** Linus Travers, who resigned Dec. 1 as Yankee Network exec. v.p., in charge of WNAC-TV, Boston, among other General Teleradio properties, named exec. asst. to John C. Dowd, pres. of ad agencies John C. Dowd Inc., Boston, and Dowd, Redfield & Johnstone Inc., N. Y. . . . Luther Alva Pierce Jr., ex-CBS, N. Y., named technical operations mgr., WBBM-TV, Chicago, succeeding Joseph Novy, who recently bought radio WJOL, Joliet, Ill. . . . Robert Heuberger, from CBS, N. Y., named chief engineer of CBS's new uhf WXIX, Milwaukee (formerly WOKY-TV) . . . Wm. Alcine promoted to production mgr. of KNXT, Los Angeles, succeeding Leon Drew, now program director of WXIX; Miss Alberta Hackett named KNXT production coordinator . . . James Denning, from legal dept., named mgr. of NBC talent & program contract operations, reporting to v.p. Gus Margraf . . . Jay Eliasberg, ex-ABC and Foote, Cone & Belding, named CBS research projects supervisor, reporting to research director Oscar Katz . . . Stanley H. Durwood, pres. of KEDD, Wichita, takes over as gen. mgr., as John North resigns to return to east . . . John H. Reese named mgr., WATE, Knoxville . . . Shaun F. Murphy, ex-WFIE, Evansville, Ind., named station mgr., WTVP, Decatur, Ill. . . . Red Barber resigns as CBS sports consultant to devote full-time to free lance sportscasting . . . Andrew P. Jaeger, onetime DuMont film director, promoted to sales v.p., Prockter Television Enterprises Inc. . . . Robert Marchman, ex-WMBR-TV, Jacksonville, named asst. chief engineer, WFLA-TV, Tampa . . . George C. Castleman, ex-mgr. of sales development, CBS Spot Sales, joins reps Free & Peters . . . Claude Garneau heads CBC's new centralized TV-radio casting & auditioning bureau in Montreal . . . Robert Nashick, ex-Loew's MGM, named adv. mgr., WGBS-TV, Miami . . . Keith Baldwin resigns as sales mgr., WAKR-TV, Akron . . . Victor M. Ratner, McCann-Erickson v.p., conducts seminar on communications at U of Chicago starting Feb. 21 under title "Six Levels of Communications" . . . Don Staley, mgr. of Weed & Co. San Francisco office, promoted to west coast operations mgr., Hollywood, replacing late Lincoln P. Simonds . . . George Prideaux named TV-radio director, Michael Newmark Adv., N. Y. . . . Garfield C. Packard resigns as Raymer v.p. & gen. mgr., Chicago, to become pres.-gen. mgr. of radio KICA, Clovis, N. M., purchased last year from DeWitt Landis . . . Howard Garland, ex-KFMB-TV, San Diego, named program director of KCMC-TV, Texarkana, Tex. . . . Robert S. Kieve, special asst. in White House and onetime CBS-TV promotion dept., named special asst. in office of Theodore C. Streibert, director of U. S. Information Agency.

John Dunn, ex-program director, CBOT, Toronto, now asst. to CBC director of program coordination, has been awarded the Imperial Relations Trust Bursary for 1955, enabling him to study operations of BBC and European broadcasting organizations under an endowment designed "to strengthen the ties that bind together the countries of the Commonwealth." He sails for England Feb. 8. The bursary previously was held by S. R. Kennedy, now CBC regional director for the Maritimes; J. D. Nixon, program director for British Columbia; Almont Tilden, CBC Toronto announcer.

Co-equal winners of Voice of Democracy essay contest, sponsored by RETMA & NARTB for high school students for 5-min. script on subject "I Speak for Democracy," are: Judy Abramson, 17, Yuba City, Cal.; Avron Maletsky, 16, Schenectady, N. Y.; Catherine Styles, 18, Minneapolis; Dwight Walker, 17, Oskaloosa, Ia. Each will get \$500 check toward college scholarship, TV receiver donated by a manufacturer and will be guests of RETMA & NARTB in Washington & Williamsburg, Va. week of Feb. 17. Annual awards luncheon will be Feb. 23 in Washington's Shoreham Hotel.

"Jones Report" to Senate Interstate Commerce Committee, due to be submitted next week by ex-FCC comr. Robert F. Jones (see p. 2), is expected to attack FCC's allocation plan and reiterate his dissent from the plan. In dissent, Jones contended that best allocation would be a "triangular lattice" with stations spaced equidistant throughout country. As if to anticipate Jones' report, FCC Broadcast Bureau chief Curtis Plummer this week had this to say about such a plan, during speech on allocations at AIEE meeting in New York this week: "If we had drawn up our assignment plan in 1945 in this manner, I don't think you would have had 35,000,000 receivers in circulation today. In fact, TV probably would never have gotten off the ground. In 1945, prospective TV broadcasters were gun-shy. Only a few operators were willing to take the gamble and then only in the largest cities." If starting from scratch now, would "lattice" be best? Plummer said: "In addition to geographic objections, such as utilization of favorable sites and avoidance of airplanes, we would be confronted with the desirability of placing the strongest signal in the cities, to overcome man-made noise. Unfortunately, our cities are not uniformly spaced."

Determined to get unused FM frequencies for industrial use, National Assn. of Manufacturers petitioned FCC to allocate FM channels on geographical shared basis permitting use of 92-108 mc by manufacturers and other mobile radio users. It is claimed that 621 FM frequencies are unused; that 235 of these could furnish 732 mobile radio channels while leaving 293 for additional FM stations. Petition was filed by radio committee chairman Victor G. Reis and exec. asst. Frank M. Smith, through counsel Jeremiah Courtney and consulting engineer George Adair. Last year (Vol. 10:6), Commission turned down group's efforts to obtain use of 460-462 & 468-470 mc. If Commission shows any disposition to take frequencies from FM, TV interests are bound to compete with manufacturers in effort to obtain them.

WTOV-TV, Norfolk, Va. (Ch. 27), off air since last Oct. 3, is being sold to Baltimore auto dealer Temus Bright (Tim Brite Inc.) for \$16,500 plus assumption of \$63,021 RCA equipment debt. Application filed with FCC lists equipment as having book value of \$87,810 after allowing nearly \$48,000 for depreciation. Bright also agrees to pay \$15,000 for lease-purchase option for tower site WTOV-TV has been leasing from operators of Portsmouth's WAVY. Plans are to return station to air "for a limited period using only test patterns, film & network, if available." Purchaser plans to resume regular programming "as soon as satisfactory arrangements are made for studios, and the assignee is satisfied with the quality of transmissions."

Congressional probe of fraudulent TV-radio advertising, similar to current local investigation by grand jury in N. Y. (Vol. 11:4-5), was urged this week by Rep. Dollinger (D-N. Y.) in resolution (H.Res. 127) referred to House Rules Committee. His proposal would call for investigation by House Commerce Committee to determine (1) extent of "false, fraudulent, misleading and deceptive advertising"; (2) what steps are being taken by TV-radio stations to stop it; (3) policy of FCC in renewing licenses of stations which "make no effort to protect the public."

Charged with one more station than it believes it should be under multiple ownership rules, Westinghouse asked FCC to amend rules so that director Dillon Anderson's 2.8% of KTRK-TV, Houston, isn't counted. It requested that rules be changed so that a stockholder's interest isn't counted if he owns (1) 1% or more in a company with more than 50 stockholders, or (2) 5% or more in a company with 50 or less stockholders, or (3) "be shown to control, or have a substantial voice in the control and management." KTRK-TV has 34 stockholders.

**B**UILDING OWN transmitter and studio equipment, WTWV, Tupelo, Miss. (Ch. 9)—headed by 2 TV industry engineers—is aiming for Sept. 1 test patterns and Sept. 15 programming. Mgr. and partner F. K. Spain, engineering director of WHEN-TV, Syracuse, writes: "We propose using a custom-built 5-kw transmitter which has been constructed and is presently undergoing engineering tests and adjustment. We expect to deliver this transmitter to our site in Tupelo by May 15. We are also building 4 live camera chains in our shop in New York City along with custom design video switching and special effects equipment." Group is negotiating to buy existing building for studio and transmitter housing, plans to use GE antenna on 300-ft. self-supporting tower. Director of engineering, also a partner, is J. G. Petit, N. Y. TV development engineer for NBC. Rep hasn't yet been chosen.

RCA shipped 2-kw transmitter Feb. 3 to KGMB-TV, Honolulu, for upcoming Ch. 3 satellite at Wailuku, Maui, due on air in April. Also shipped Feb. 3 was RCA 2-kw standby transmitter for WGR-TV, Buffalo (Ch. 2). GE shipments this week were 12-kw transmitter and 5-bay helical antenna to upcoming educational WTVS, Detroit (Ch. 56), and 12-bay antenna to KVTV, Sioux City (Ch. 9). GE reports order for 5-kw transmitter and 12-bay antenna for WSJS-TV, Winston-Salem, N. C. (Ch. 12).

\* \* \* \*

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

KFDM-TV, Beaumont, Tex. (Ch. 6), which got FCC go-ahead last week after being "stayed" by protests, now plans test patterns last week in March, April programming as CBS basic, also using NBC & ABC shows. Exec. v.p.-gen. mgr. C. B. Locke reports 10-kw RCA transmitter

installed and foundations ready for 608-ft. Emsco tower, due for completion with 12-bay RCA antenna early in March. It will be first local competitor for KBMT (Ch. 31), which began last April. Base hour will be \$300. Rep will be Free & Peters.

KLIX-TV, Twin Falls, Ida. (Ch. 11), plans mid-March test patterns, according to v.p.-gen. mgr. Frank C. McIntyre. Frank Carman-Grant Wrathall group owns 50%, also has interest in KUTV, Salt Lake City and CP for KWIK-TV, Pocatello (Ch. 6). KLIX-TV found going too slow when it tried to build all equipment in Salt Lake City workshop operated jointly by Carman-Wrathall stations, has purchased from RCA the 5-kw DuMont transmitter and RCA 6-bay antenna formerly used by WFAA-TV, Dallas. It also has old GE microwave link from WBKB, Chicago. All studio gear has been installed and 250-ft. tower furnished by Salt Lake City workshop is ready on Flat Top Butte. Base rate will be \$120. Rep will be Hollingbery.

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CHEX-TV, Peterborough, Ont. (Ch. 12), now plans March 1 test patterns, March 10 programming, writes mgr. Don R. Lawrie. It had RCA 10-kw transmitter due Jan. 15, and Canadian Bridge Ltd. is scheduled to have 400-ft. tower with 12-slot wavestack antenna ready Feb. 20. Owners Senator W. Rupert Davies (51%) and publisher-broadcaster Roy Thomson also operate CKWS-TV, Kingston, Ont. Sen. Davies publishes *Peterborough Examiner* and *Kingston Whig-Standard*. Mr. Thomson recently was reported bidding for commercial TV in Scotland, where he publishes the *Glasgow Scotsman* (Vol. 10:50). CHEX-TV tentative base rate is \$170. Reps will be Weed and All-Canada.

**H**IGHLIGHTS of proposals contained in memorandum submitted by special counsel Harry Plotkin to Chairman Magnuson of Senate Interstate & Foreign Commerce Committee and sent to FCC and Justice Dept. for comments (see pp. 1-4):

**De-intermixture**—"The Commission should be requested to re-examine the petitions for de-intermixture which have heretofore been rejected and to report back to the committee within 30 days whether there are any public-interest factors involved in rejecting these petitions [together with] a detailed statement setting forth the specific steps it proposes to take with respect to the uhf matter."

**Uhf receivers**—Favors proposal to grant excise tax relief only to manufacturers who market all-channel sets exclusively, with certificate from govt. agency required as guarantee that set "is in fact capable of receiving all TV channels under normal home viewing conditions."

**Network exclusivity & contracts**—Discards common-carrier concepts as unworkable, out of keeping with American broadcasting system and destructive to networks. Favors "Associated Press case" approach, citing Supreme Court decision in AP case. "The same reasoning would compel the conclusion that network TV service likewise should be made available to all applicants on a non-discriminatory basis, subject only to the exception that the network need not make an affiliation available where to do so would be to create a substantial duplication of that network's service. . . ."

"Networks should be required to publish and file with FCC the standards they purport to follow in determining what is excessive duplication in the awarding of affiliations. FCC should approve, disapprove or modify the standards so submitted. Any station complying with the published standards would be entitled to an affiliation on a non-discriminatory basis so far as compensation

and other terms of the affiliation are concerned. The Commission should set up a procedure to insure that network programs not carried by a regular affiliate should be made available to other stations." Serious consideration should be given to opening for public inspection some of the reports and information filed with FCC by licensees and networks—including affiliation contracts. "The present policy as to confidentiality impairs the bargaining ability of affiliates in their dealings with the networks. . . ."

**Exclusivity of affiliation**—"Some reasonable restriction on station choice as to network programs must be devised if we are to have the maximum utilization of TV in the public interest . . . The Commission should undertake to enumerate those markets in the U.S. with fewer than 4 facilities of relatively equal desirability, whose availability are important for network operation. [Then], provision should be made that not more than a certain percentage of the station's time in each of the segments of the broadcast day [may] be made available to the 2 dominant networks, NBC & CBS, for the purpose of carrying their programs."

**Time options**—"It cannot be gainsaid that we would have a healthier situation if some means could be devised whereby the sources of good programming could be expanded so that the dependence which TV stations now have on the networks could be mitigated . . . If the national spot advertiser could be assured that once his program was placed on a station it could not be displaced to make way for a network program, it is entirely possible that more time, money and effort would be expended by national advertisers in developing good programs that would be available on a national spot basis . . . Present time-clearance arrangements give an artificial advantage to the network. If the vulnerability of national spot business were removed and if time availability for such business could be made as firm as it is now for advertisers

using the networks, an incentive would be created for advertisers, agencies the national spot representatives, the producers of film for TV and others to develop good programs for presentation on a national spot basis as well as for network purposes. If that should occur, the sources of good program material would become much more diversified and stations could be relieved in great part of the present dependence on the networks . . . In order to make this objective possible, the option-time rule should be modified or abolished. . . ."

**Networks as spot reps**—"The national spot representatives and networks are competitors for the advertising business of the national advertisers." CBS's & NBC's practice of serving as representatives for some of their affiliates "effectively denies to national advertisers in many markets any opportunity of dealing with 2 vigorous competitors each seeking business for his medium — network or national spot — and limits the advertisers' choice to one organization representing both media." Practice is also unfair competition to national spot representatives.

**Line charges**—"The Commission should undertake at the earliest practicable date an examination of the reasonableness of the telephone company charges relating to broadcast operations and of the proposals for cheaper services to sparsely settled areas."

**AM-TV network ownership**—"The Commission should give continuing consideration" to question of ordering separation of AM & TV network ownerships, although it may be too early for such a move.

**Network ownership of stations**—"If the networks are correct in insisting that ownership of stations is essential in order to support the operation of networks, there is no substitute for injecting the Govt. into the role of specifying the rate of return the networks are entitled to earn. We believe that this is not the basis upon which network ownership of stations should be considered. Ownership of stations in talent centers like New York, Chicago and Los Angeles has historical justification. Most careful consideration should be given as to whether the ownership of additional TV stations by the networks is justifiable."

**Multiple ownership**—"Serious consideration should be given by the Commission to a re-examination of its policy with respect to ownership of stations so as to determine whether 3 TV stations are the maximum which any one group should be permitted to own. In addition, a careful study should be undertaken as to whether multiple owners have abused the power inherent in the ownership of multiple stations by securing desirable affiliations by methods which constitute violations of the anti-trust laws."

**Duration of network contracts**—"Present regulations of the Commission permit a maximum of 2 years for network affiliation contracts—although the license period is 3 years. It is quite common for the networks to use a form of contract which binds the affiliate for the maximum period but which permits the network to cancel before the end of the term. It is difficult to see how such lack of mutuality can be justified."

**Implementation**—"It is our present opinion that legislation is not needed since the agencies of the Govt. have ample authority under present statutes to deal with the problems . . . We believe that the matter should be referred to the FCC and Dept. of Justice for appropriate action. This conclusion is reinforced by the fact that the implementation of the solutions suggested here requires large trained staffs. Both the Commission and the Dept. of Justice have such staffs which are accustomed to dealing with these problems. The Senate Committee on Interstate & Foreign Commerce does not have such facilities. . . ."

**Network Accounts:** New Walt Disney film program, *Mickey Mouse Club*, which debuts on ABC-TV Oct. 3, Mon.-thru-Fri. 5-6 p.m., got first sponsors this week—General Mills and Campbell Soup each signing for 15-min. segments across board. In addition, Derby Foods, currently alt. sponsor of *Disneyland* on ABC-TV, is reportedly interested in third 15-min. segment . . . Plugging children's shows, ABC-TV also has asked Burr Tilstrom, whose *Kukla, Fran & Ollie* is sold as co-op on network, to draw up a new puppet program aimed at youngsters for Sat. morning . . . Nestle Co. to sponsor *Stage Show* on CBS-TV starting in fall, Sat. 8-8:30 p.m., thru Bryan Houston Inc., N. Y.; starring Dorsey brothers, show is produced by Jackie Gleason Enterprises and will precede Gleason's own show, *The Honeymooners*, 8:30-9 p.m., for which Buick recently signed \$11,000,000 2-year sponsorship contract (Vol. 10:52) . . . Comedy & more comedy is NBC-TV's weapon in upcoming battle with Jackie Gleason for ratings in Sat. 8-9 p.m. period this fall; it tentatively plans to shift *George Gobel Show* from current 10-10:30 p.m. to 8-8:30, with 8:30-9 period filled by such guest stars as Jimmy Durante, Larry Storch and others—or, as alternative, it's considering new single comedy show from 8-9 . . . Procter & Gamble, after 6 years of continuous sponsorship, to cancel *Fireside Theatre* at end of current season on NBC-TV, Tue. 9-9:30 p.m., plans to replace it with comedy show, thru Compton Adv. . . Crane Co. (plumbing equipment) buys one partic. a week for 25 weeks on *Panorama Pacific* on CBS-TV's Pacific network, starting Feb. 22, Mon.-thru-Fri. 7-9 a.m., thru Leo Burnett Co., Chicago; Kretschmer Corp. (breakfast cereal) 2 partic. a week for 13 weeks, starting Feb. 7, thru Gleason Adv., Detroit . . . CBS-TV retains *Life with Father* for 13 more weeks as sustainer, Pet Milk having dropped out as sponsor Jan. 4, when it switched to *Red Skelton Show*.

Non-consumer industries should undertake major TV campaigns in support of the end products of their customers—and color is a good place to start. So said NBC pres. Pat Weaver this week in address to Detroit Economic Club urging automotive industry suppliers to lead the way in color, which he said would play a "key role in enriching the nation's economic and social life." He defended concept of irregularly scheduled programming, citing high ratings achieved by color spectaculars and such black-&-white shows as *Martha Raye Show*, *Bob Hope Show*, etc. He added that NBC, through flexibility in sales and programming patterns, is building system which will permit advertisers of all sizes to tailor TV to their budgets.

Influence of TV was a major factor in Supreme Court's ruling this week that boxing is subject to anti-trust laws, setting stage for monopoly suits by Govt. against International Boxing Club. Court ruled that widespread use of TV-radio & motion picture contracts by boxing promoters put sport in interstate commerce. Philip Elman, special asst. to attorney general, had argued that promoters get most of their income from rights to interstate TV and as far as they were concerned "fights might just as well be put on in TV studios."

Lucky Strike is first sponsor to sign for CBS-TV's "Extended Market Plan" for network programs to small-city affiliates at minimum cost to station & sponsor (Vol. 10:49), buying all 15 stations which have signed for EMP for its *Jack Benny Show & Private Secretary*, which alternate Sun. 7:30-8 p.m., thru BBDO. It's effective Feb. 6.

Rate increase: WKOW-TV, Madison, Wis., on March 1 raises base hour from \$200 to \$250, min. \$40 to \$50. Rate change: WFMZ-TV, Allentown, Pa. (Ch. 67) reports its current base hour is \$120, rather than the \$440 reported in *Factbook No. 20*; latter is a projected rate predicated on future 100% conversion of 110,000-200,000 sets.

**N**EW CPs ARE RARE nowadays, but FCC managed 3 of them this week. WSAV was awarded Savannah's Ch. 3, in final decision over WJIV, while Great Commission Schools Inc. (religious education) was granted commercial Ch. 61 for Anderson, Ind. and Puerto Rico's Dept. of Education received CP for educational Ch. 6 in San Juan. Also issued this week was examiner Isadore A. Honig's initial decision recommending grant of Ch. 5, Bristol, Tenn.-Va. to WCYB over WOPI.

FCC chose WSAV in Savannah because of "its past performance as a licensee in the Savannah area; the fact of local residence of its principals considered in connection with their participation in community affairs; and the integration of its owners with the management and operation of the proposed station." Commission concurred partially in WJIV's charge that WSAV had started construction before getting CP, told WSAV it couldn't use 3 steel sleeves installed on Liberty National Bank Bldg.

Though Honig found that WOPI had better program proposals and greater civic activity, he felt there were "deficiencies" in its past operations. In addition, he considered WCYB superior in local ownership, management-ownership integration, diversification of media ownership.

Way was cleared for Ch. 7 grant to WDBJ in Roanoke, meanwhile, when WROV agreed to dismiss upon payment by WDBJ of \$245,021 for assets of defunct WROV-TV (Ch. 27). Agreement calls for \$81,674 payment upon dismissal of WROV application, \$163,347 within 10 days after grant to WDBJ.

First efforts of theatreman L. F. Gran to block sale of WTVW, Milwaukee (Ch. 12) to Hearst Radio (Vol. 11:5) were rebuffed by FCC when it returned Gran's application for Ch. 12, stating that channel had already been granted and that Gran still owns part of WTVW. At Hearst's request, meanwhile, Commission dismissed its application for Ch. 6 in nearby Whitefish Bay, Wis.

In 3-way contest for New Orleans' Ch. 4—WWL, WNOE and WTPS competing—FCC's Broadcast Bureau asserted that WNOE principal ex-Gov. James A. Noe hadn't shown he was financially qualified to build. Noe's counsel argued that his net worth of over \$1,800,000 is ample evidence of financial ability.

Albany, N. Y. battle became even more acrimonious this week. WTRI (Ch. 35) has gone off air (see p. 4). GE

objected vigorously to WTRI's de-intermixture proposal to shift WRGB from Ch. 6 to Ch. 17. GE asserted that public would be great loser if shift were made, that station lost 7 times the \$300,000 loss reported by WTRI before WRGB turned profit corner. WMGT, Adams, Mass. (Ch. 19) objected to proposal of WROW-TV (Ch. 45) that Ch. 10 be assigned to nearby Vail Mills, N. Y. Another contender in the battle royal appeared, meanwhile, when Walter C. Neals, who has worked for several Albany area radio stations, heartily urged the Ch. 10 allocation, said he'd form group to apply for it if it were assigned.

NBC's projected purchase of WKNB-TV, New Britain, Conn. (Ch. 30) doesn't look as if it will breeze through—what with New Haven's WNHC-TV (Ch. 8) and several uhfs in area planning to protest to FCC, objecting strenuously to losing NBC-TV programs. Due to handle protest is Paul Porter, who is counsel for WTRI in its fight against CBS.

In other areas, there were more attempts of uhf operators to obtain vhf or to move to bottom of uhf band. KEDD, Wichita (Ch. 16) sought assignment of Ch. 8 to Hutchinson, said it would apply for the channel if it's assigned. It would accomplish changes by shifting Kansas State College's grant from Ch. 8 to Ch. 58, substitute Ch. 8 for Ch. 18 in Hutchinson, Ch. 58 for Ch. 8 in Manhattan, Ch. 35 for Ch. 8 in Woodward, Okla. KEDD claimed that transmissions of KAKE-TV, Wichita (Ch. 10) interfere seriously with reception of KEDD on sets with strip converters.

KCCC-TV, Sacramento (Ch. 40) hopes to shift to Ch. 16, asking Commission to assign Ch. 16 to Pittsburg-Antioch, substituting Ch. 15 for Ch. 16 in Red Bluff and Ch. 56 for Ch. 16 in Santa Cruz.

Another determined effort to achieve de-intermixture was made this week by WFIE, Evansville, Ind. (Ch. 62) and WEHT, Henderson, Ky. (Ch. 50), when they petitioned Commission to reconsider its action denying their request that Evansville's Ch. 7 be made educational. This time, they also asked that Ch. 9 be deleted from Hatfield, Ind.

Application of WJMR-TV, New Orleans, to shift from Ch. 61 to Ch. 20 was granted along with authorization to hike power to 1000 kw, while grantee WOOK-TV, Washington, D. C. (Ch. 50) applied for newly-assigned Ch. 14.

**D**R. ALLEN B. DuMONT gave his imagination free rein this week when he delivered speech titled "The Look Ahead With Electronics" to Los Angeles Chamber of Commerce Feb. 2. He covered not only current TV-electronic developments but even most distant possibilities—and insisted we're living in the "Electronic Age" rather than the "Atomic Age." Among topics discussed:

(1) "Piggy-back" combination TV-film camera. Stating he believes DuMont has technical problems licked, he said: "When we complete our work, it will be possible for motion picture companies to operate with the technical efficiency of TV studios—reducing picture costs by a fantastic amount." Similarly, he added, TV networks will be able to distribute high-quality film versions of live shows instead of kines; latter is one of DuMont Network's main hopes for maintaining technical quality of service to affiliates despite heavy cutbacks in live network hook-ups (Vol. 11:1).

(2) Industrial TV. "The future uses of TV in fields other than entertainment are, in my opinion, greater than the actual on-the-air medium," Dr. DuMont said. "At DuMont we are building a complete sales force to tell the story to industry of what industrial TV can accomplish in commerce, education, industry and in medicine."

(3) Color. "Cost problems relative to the picture tube

and the entire receiver have got to be brought into line so that color sets can be priced no more than \$200 over comparable black-&-white sets," Dr. DuMont stated. "Color for almost every American home will become a reality," he said, but he declined to predict when.

Venturing into military potentialities of electronics, Dr. DuMont said: "Every new weapon of destruction that has been perfected in the past has been followed by some defense apparatus to equalize the gain. In my opinion, the time is not far off when electronic devices will provide an almost certain defense against atomic attack."

Turning to auto traffic problems, he stated: "It is surprising to me that such small use of electronics has been made. . . . A number of proposals have been made which would control the speed and separation of cars on the highways, allowing the passengers complete relaxation while traveling with much greater safety than at present."

Dr. DuMont even conjectured that electronics may be employed to influence the mysterious workings of the brain itself. "There are indications," he stated, "that electrical impulses are generated by the brain and also that electrical impulses cause the brain to perform certain functions. Possibly with further knowledge, an electronic process may be found that is able to impart information to the brain which would greatly simplify learning processes."

**Telecasting Notes:** A \$13,000,000 deal whereby Guild Films purchased exhibition contracts of Matty Fox's Motion Pictures for Television, representing distribution of 700 feature films and with it MPTV's entire sales force, was disclosed this week. Signed by Fox and Guild pres. Reub Kaufman, agreement establishes a new Guild subsidiary, MPTV Films Inc., which now can offer to stations—especially its collaborating Vitapix group—TV's biggest library of features, including some of Hollywood's top names. MPTV v.p. Erwin Ezzes moves over to Guild as v.p. in charge of feature film operations, reporting to sales v.p. Manny Reiner. MPTV henceforth will function only as producing and investing organization . . . Two more major studios will be in TV film production by midyear and within 2 years "every studio in Hollywood will be making pictures for TV," says AB-PT pres. Leonard Goldenson after 2 weeks of conferences with top studio officials. Though Goldenson didn't name the 2 studios, *Variety* identified them as Warner Bros. & MGM. He said TV could serve as a "proving ground" for young talent, who would then "graduate" to movies . . . Biggest attraction on TV: radio. Ed Sullivan's tribute to radio Jan. 30 pulled 51.8 Trendex (for second half-hour), all-time record for the 7-year-old show . . . Rating phenomenon of year, ABC's *Disneyland* jumped up a couple more notches in Jan. to cop 4th place in both Nielsen & ARB surveys, with 47.8 & 46.3 respectively . . . Best daytime viewing period is 4-5 p.m., according to new Advertest survey of N. Y. area, which found 48% of "daytime TV homes" watch during that hour; 10-11 a.m. is second choice (47.5%), noon-1 p.m. third (45%). In 50% of homes, TV is viewed before 5 p.m., and about half of this group watches daytime TV daily . . . "Too sexy" was unofficial explanation for sudden cancellation of widely publicized (but unsponsored) *Voluptua Show* on KABC-TV, Los Angeles, though station's official explanation was "too expensive." Show featured shapely Gloria Paull who appeared clad in negligee as mistress of ceremonies on weekly program of feature films. Program lasted 6 weeks, stirred "boycott" threats . . . Venturing into hinterlands following recent originations from Miami, NBC's magazine-type shows and *Comedy Hour* planning several future excursions—*Tonight* to originate from Dayton Feb. 11, *Comedy Hour* from New Orleans Feb. 20, with latter picking up jai alai championship from Tijuana, Mex. Feb. 6 (Vol. 11:5). Also reportedly in the works are originations of *Home* from Mexico City and resorts in the Canadian Laurentians . . . Ford Foundation is financing pilot film of new TV series featuring cartoonist Al Capp and stressing principles of Americanism . . . TV's killing pace: Two comedy stars "retired" this week, Bob Hope reportedly turning down "fabulous" offer from GM for regular program next fall, saying he's "tired, run down and wants to rest" by laying off TV for year; Joan Davis received release from her contract with GE (*I Married Joan*) because she is "worn out" after making 98 TV films in last 3 years . . . General Teleradio, flushed by success of *Gangbusters*, its first feature-length theatrical picture, plans to expand production and possibly enter distribution of films for theatres—backed by promotion on Mutual's 580 radio stations.

Distribution rights to \$5,000,000 in new TV film shows were acquired by ABC Film Syndication, pres. George T. Shupert announced this week end. ABC will have exclusive distribution rights to *Douglas Fairbanks Presents, Sheena—Queen of the Jungle, Life Can Be Beautiful* and will arrange for production and distribution of at least 2 additional TV shows in conjunction with Hal Roach Jr. under banner of Rabco TV Productions.

New reps: WTTG, Washington, D. C. to H-R Television (from Blair TV).

End of inter-union dispute this week opens way for NBC-TV & ABC-TV to join CBS-TV in producing their own films. Provision in new contract signed Jan. 31 by NBC & ABC with National Assn. of Broadcast Employes & Technicians calls for NABET to relinquish jurisdiction over film production to International Alliance of Theatrical & Stage Employes, which functions strictly as film craft union for networks and others. NABET had previously claimed jurisdiction over film in some areas and had refused to handle film made by IATSE on network equipment and using network personnel. CBS-TV already has right to film own shows under agreement with IBEW, now produces *You Are There & Phil Silvers Show*. NABET retained jurisdiction over kines only. Signed only few hours before expiration of old contract, 3-year pact calls for wage increases up to 10% by third year. NABET also won pension agreement from NBC only. Meanwhile, however, NABET threatened to strike against CBC if agreement on wage increase is not reached by Feb. 16. Union says average wage of its Canadian members is \$63 a week and wants 30% increase.

Serious interest in British TV is evidenced by more and more U. S. organizations as Sept. debut of commercial TV there approaches (Vol. 10:45). This week, CBS reported agreement with Anthony C. Bartley's Jersey Productions, London, for latter to handle all CBS overseas film sales and to produce special series for both European and U. S. markets. For 5 years, Bartley has been producing TV films for U.S., e.g., for Douglas Fairbanks, MCA-TV, *Fireside Theatre*. His first series to be produced with CBS tieup will be *March or Die*, with Foreign Legion background, starring Errol Flynn in his TV debut. BBC is currently using kines of some of Edward R. Murrow's *Person to Person* series.

Sale of KMBY-TV, Monterey, Cal. (Ch. 8), along with radio KMBY, to share-time KSBW-TV, Salinas (Vol. 10:45), was approved this week by FCC. Sellers' major stockholders are Kenyon Brown, George Coleman and actor Bing Crosby. Also approved was ownership change for KSBW-TV whereby name changes from Salinas Bcstg. Corp. to Salinas Valley Bcstg. Corp., and John C. Cohan & Wm. M. Oates each reduces 50% holdings to 25%, other 50% to be held by 13 local citizens. KSBW-TV paid \$230,000 and assumed some of the liabilities in order to begin full-time operation; last week it filed to sell radio KMBY, Monterey for \$70,000 to veteran radio engineer Frederick A. Gwynn in order to retain KSBW (Vol. 11:5).

Sale of McClatchy's KWG, Stockton, Cal. (250-watts, 1230 kc, ABC) for \$75,000 to co-partners KWG program director James E. Longe and Dr. Lewis B. Saslaw ran into snag this week when FCC questioned financial qualifications of purchasers. McClatchy wants to sell in order to buy KBOX, Modesto (1-kw, 970 kc), also for \$75,000 (Vol. 10:50), as companion to its KBEE (FM). This deal also has been held up by FCC which questions possible overlap with McClatchy's KMJ, Fresno and KFBK, Sacramento.

Copies of report on experimental uhf booster, duplicates of one submitted to FCC, are available to those interested, from Adler Communications Laboratories, 1 Le Fevre Lane, New Rochelle, N. Y. Report is description of booster built to fill hole in coverage of WATR-TV, Waterbury, Conn. (Ch. 53); Adler states that unit added some 50,000 viewers to station.

Sign of the times: London's historic Adastral House, occupied by British Air Ministry since 1919, to be renamed Television House by Associated Rediffusion Ltd., which leases building beginning in May. Company is one of the program contractors selected to produce TV shows and sell time for new commercial Independent TV Authority which is scheduled to go into competition with BBC next fall.

**SET SALES EXCEED NORMAL SEASONAL PACE:** There's an unmistakable jauntiness about the TV-radio trade these days, reflecting a movement of sets somewhat greater than normal for the first quarter of the year. Though official industry statistics on sales at any level of trade thus far this year have yet to be released, several top-ranking manufacturers are reporting TV set movements at or near all-time records.

Illustrating bullishness of current TV market, Philco this week raised price of four 21-in. table models by \$10 -- a step rarely taken by manufacturers in first quarter, when tendency is to keep prices firm or even lower them slightly in hope of stimulating sales. Though Philco itself gave usual explanation of "increase in cost of components" for price hike, one of its competitors observed:

"This shows how strong the market is right now. In past years it would have been suicide for any of us to raise prices in this season. But the way things are going, Philco knows it can get away with it. I wouldn't be at all surprised to see other manufacturers take the gamble and increase prices shortly."

The mix of sales is also encouraging in several respects. The 17 & 21-in. receivers, of course, continue as the bread-&-butter sellers -- taking in the initial sales and a steadily-increasing volume of second-set sales. One trade marketer last week estimated second sets currently constitute 10% of total retail sales (Vol. 11:5). And in pre-freeze metropolitan markets particularly there is definite upswing in the 24-in., primarily as replacements -- good for greater profit margins.

All sorts of reasons are being advanced for state of market. Among them are low prices and truly excellent values, improvement in programs, inability of color to get down to mass-market prices yet, frigid weather which has kept people indoors.

Radio is also showing renewed evidence of vitality. Production and inventory are in better balance than in some months -- and sales are showing a steady rise under the impetus of bigger and better promotions.

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TV production totaled 154,421 week ended Jan. 28, compared to 150,985 units preceding week and 166,522 week ended Jan. 14. It was year's 4th week and brought January production to 665,000, compared to 420,571 in Jan. 1954. Radio production totaled 226,054 (110,799 auto), compared to 262,949 preceding week and 267,544 week before. It brought Jan. to about 1,033,000, compared to 871,981 in Jan. 1954.

Revised 1954 production figures released by RETMA this week show 7,346,715 TVs, 10,400,530 radios turned out. It was second highest TV production year, below 1950's record 7,463,800 but ahead of 1953's 7,215,827. Radio total compared with 13,386,556 in 1953 -- decline due largely to auto radio drop. The breakdowns:

|               | <u>1954 Production</u> |                    | <u>1954 Radio Production by Types</u> |                  |              |             |
|---------------|------------------------|--------------------|---------------------------------------|------------------|--------------|-------------|
|               | <u>Total TV</u>        | <u>Total Radic</u> | <u>Home Sets</u>                      | <u>Portables</u> | <u>Clock</u> | <u>Auto</u> |
| January.....  | 420,571                | 871,981            | 271,036                               | 46,571           | 159,932      | 394,442     |
| February..... | 426,933                | 769,232            | 233,063                               | 98,275           | 105,933      | 331,961     |
| March (5 wks) | 599,606                | 940,352            | 244,110                               | 206,130          | 119,863      | 370,249     |
| April.....    | 457,608                | 745,235            | 165,232                               | 175,424          | 73,590       | 330,989     |
| May.....      | 396,287                | 722,104            | 173,480                               | 174,735          | 57,370       | 316,519     |
| June (5 wks). | 544,142                | 837,655            | 226,350                               | 141,904          | 132,668      | 336,733     |
| July.....     | 306,985                | 438,061            | 150,002                               | 39,447           | 57,100       | 191,512     |
| August.....   | 633,387                | 785,499            | 280,607                               | 74,713           | 155,171      | 275,008     |
| Sept. (5 wks) | 947,796                | 932,323            | 352,499                               | 76,271           | 207,226      | 296,327     |
| October.....  | 921,476                | 997,788            | 343,269                               | 97,331           | 220,505      | 336,683     |
| November..... | 858,501                | 1,098,725          | 327,973                               | 93,716           | 272,583      | 404,453     |
| Dec. (5 wks). | 833,423                | 1,261,575          | 300,023                               | 109,001          | 312,967      | 539,584     |
| TOTAL.....    | 7,346,715              | 10,400,530         | 3,067,644                             | 1,333,518        | 1,874,908    | 4,124,460   |

**Trade Personals:** Kendrick R. Wilson Jr., Avco v.p. & asst. to chairman Victor Emanuel, elected a director and member of corporate executive committee . . . Frank B. Powers promoted to operating v.p., P. R. Mallory & Co.; George M. Arisman Jr. named controller . . . Karl van Gessel promoted to gen. mgr., Sylvania international div. . . . Ramon J. Hartung named controller of Sylvania TV-radio div., Buffalo . . . Leonard J. Corti, ex-Polarad Electronics, named CBS-Columbia mgr. of contract administration for govt. & industrial operations . . . Ray E. Nugent, ex-Atlanta sales mgr., named gen. sales mgr., Philco parts & accessory div., replacing late Robert McKinney; Wm. J. Horn, from appliance div., named merchandising & adv. mgr. . . . David W. Potter promoted to components div. sales mgr., Federal Telephone & Radio Co.; Frederick K. Hankinson named sales mgr. of transformer dept. . . . E. L. Taylor resigns as sales mgr. of Stewart-Warner Electric, now out of TV-radio business in U. S., though continuing in Canada . . . Herman L. Weckler, v.p.-gen. mgr. of Clevite Corp., elected to board . . . Charles E. Griffith, gen. sales mgr., & John M. Zimmerman, works mgr., promoted to v.p.'s, International Resistance Co.; Miss Norma L. Testardi named adv. mgr. . . . Philip J. Wood, ex-Stewart Warner Electric & RCA, named asst. to H. C. Bonfig, Zenith TV-radio sales v.p. . . . Grant R. Loomis promoted to asst. gen. traffic mgr., Stromberg-Carlson . . . Sol Listerneck promoted to Olympic Radio export sales mgr. . . . Herbert K. Rollins named mgr. of product planning, Russell N. Leisz service mgr., RCA Estate Appliance Corp. . . . Doug Carpenter, JFD Mfg. Co., heads special RETMA committee to revise Article 810 of National Electric Code, applying to antenna installations; request for revision came from National Fire Protection Assn. . . . C. A. Winder returns to Moffat's Ltd., Toronto (major appliances) as asst. gen. mgr. after year in auto industry; Moffat's is now Avco of Canada subsidiary . . . Thomas C. Piddington, ex-Kelvinator, named Andrea district mgr. for N. J., Pa. & upper N. Y. state . . . Donald B. Smith, ex-Lewyt Corp., named Crosley-Bendix appliance sales promotion director, replacing George Simonds, resigned . . . C. A. Calhoun named Raytheon govt. contracts mgr., headquartering in Chicago.

Emerson introduced new 17-in. table model which can operate on AC or DC without use of inverter or converter, listing at \$150. Automation techniques are currently being used in radio production, will be extended eventually to TV, said pres. Benjamin Abrams at company's annual meeting. He also said company would market a completely transistorized radio within 60 days. He doubted that more than 100,000 color sets would be produced this year but was "hopeful" that 1,000,000 will be turned out in 1956.

U. A. Sanabria's American Television Inc., now selling custom-built "De Forest" & "De Forest-Sanabria" brand TVs through own retail outlets in Chicago, Cleveland, Detroit, St. Louis & Oklahoma City, plans shortly to set up new retail outlets in Philadelphia, Milwaukee, Los Angeles & San Francisco. Firm is now producing and selling 1000 sets per week, says Sanabria, some 21-in., mostly 24 & 27-in.

Kent Television Inc., 505 Driggs Ave., Brooklyn, manufacturers & designers of custom TV receivers, plans biggest production & sales year in its 5-year history in 1955, output having increased steadily each year, reports pres. J. D. Mendelson. Its current line starts at \$550 for 21-in. full-door console.

Philco increased price by \$10 on four 21-in. table models—ebony \$160 to \$170, mahogany metal \$180 to \$190, blonde \$190 to \$200 & mahogany wood \$200 to \$210.

**DISTRIBUTOR NOTES:** Admiral establishes Admiral Distributors Corp., a wholly-owned subsidiary, to conduct its 19 branch distributing operations. W. C. Johnson, Admiral sales v.p. who heads new subsidiary, said it should attain sales of approximately \$100,000,000 in 1955 . . . DuMont: Wolverine Distributors, 1501 Miami Road, Jacksonville, Fla. (Edward Johnson & Charles L. Francisco, partners) . . . Crosley-Bendix: Lloyd Distributing Inc., Omaha (Lloyd W. Sleezer, pres.), replacing own factory branch . . . Stromberg-Carlson: Anderson-O'Donnell Co., 1452 Galapago St., Denver (Bob Anderson & Ray O'Donnell, principals) . . . Raytheon: L&P Electric Co., Brooklyn (Louis Lidsky, pres.), replacing Dorfman Distributing Corp. . . . Olympic Radio: Coby Distributors Inc., Wilkes-Barre, Pa. & Metropolitan Distributors, Roxbury, Mass. . . . Raymond Rosen & Co., Philadelphia (RCA) names W. Russell Zacharias sales supervisor of Lehigh Valley market area; he's ex-pres. of Luckenbach Inc., Philco distributor in Pottsville, Pa. . . . Boyd Distributing Co., Denver (Philco) names Larry Costa service mgr. . . . CBS-Columbia of Philadelphia appoints Albert A. Yannelli credit mgr. . . . Westinghouse Electric Supply Co. names W. A. Phillips Chicago-Rockford TV-radio sales mgr. . . . Hallicrafters: Barre Television Supply Co., 343 S. Main St., Wilkes-Barre, and Fleischer Distributors, Monticello, N. Y. (Roy G. Fleischer, pres.).

A 2-6% "additional dealer discount" plan to stimulate TV trade-ins was disclosed this week by CBS-Columbia pres. Seymour Mintz. Additional discount, based on quantity purchases, varies from market to market, where distributors have authority to put it into effect. Contributions to additional discount will be made by both factory and local distributor. Mintz also disclosed that CBS-Columbia is shooting for 5% of national radio market in 1955, its first full year in radio.

Typical TV service charges, as estimated by Motorola service mgr. Russ Hanson in *NARDA News*: replacement of 21-in. picture tube, \$7.50; 24 & 27-in. tubes, \$8.25-\$9; replacement of power transformer, \$8-\$10. NARDA itself says average of 4.56 calls per set are made annually under service contracts, 2.2 calls on C.O.D. basis; average cost of C.O.D. call, including labor and parts, is \$10.50; from 80-90% of all calls are completed in customers' homes.

TV-radio-appliance dealers will enjoy increases in both unit sales and dollars in 1955 over last year, predicts Richard E. Snyder, NARDA's economic consultant, in his Feb. *National Markets Analyst*, 11 S. LaSalle St., Chicago. He foresees a unit increase of 6.5% and sales of \$4.127 billion, compared to \$3.875 billion in 1954. He predicts these dealers will spend 2.5% of their 1955 sales volume on advertising.

Motorola is buying 18-acre tract in Phoenix for new engineering and "light manufacturing" facilities. Pres. Paul V. Galvin said transistors and other "small and highly precise items" would be produced; about 400 would be employed. Company already has electronics research lab there, employing 800, headed by ex-Washington consulting engineer Joe Chambers.

Crosley introduces "Custom V" series of 6 TV models as adjunct to its "Super V" line. New models have chassis with one more tube than "Super V" receivers, range from 21-in. mahogany table model at \$180 to 21-in. blonde "low-boy" combination at \$320.

The Radio Craftsmen Inc., 4401 N. Ravenswood Ave., Chicago, manufacturer of high-fidelity components, will sell its products directly to consumer by mail order, eliminating all dealers, effective March 1.

Annual High-Fidelity Show, sponsored by International Sight & Sound Exposition, will be held in Chicago's Palmer House, Sept. 30-Oct. 2.

**Topics & Trends of TV Trade:** Those standby price & wage controls, which President Eisenhower first indicated he planned to seek from Congress, apparently aren't going to be requested now—bringing a sigh of relief from TV as well as other industries. At news conference this week, President said standby authority to freeze prices & wages might be advantageous but that the psychological effect of such action on the economy, possibly resulting in "scare buying," must also be considered.

President's apparent go-slow attitude prompted a hurriedly-called meeting of Central Council of National Retail Assns. to postpone any public re-examination of its flat opposition to all controls on basis that the very discussion of controls might produce inflationary pressures. NARDA was represented at meeting by chairman Mort Farr. The Central Council is one of 2 major wings of the American Retail Federation.

President said that if Congress sees fit to enact such controls, he could live with them. But he cautioned that approval of such controls might imply that his Administration would want to go all-out to put country on war footing in current Formosan crisis, a step the President said he is taking pains to avoid.

\* \* \* \*

Appeal for excise tax relief came this week from H. Leslie Hoffman, pres. of Hoffman Electronics, who said industry's excise tax bill last year was \$105,000,000. Speaking at Electronics Day gathering in Los Angeles, Hoffman said: "Assuming that the industry showed a net profit after taxes of 3% at the factory level last year, 2% at wholesale and 3% at retail, the industry as a whole made \$84,000,000 while paying \$201,000,000 in taxes." Meanwhile, big Canadian Retail Federation has joined Canadian RTMA in urging elimination of excise tax on TV-radio-appliances in Dominion. In brief submitted to Govt., CRF said further it was unfair to use excise tax funds to finance state-owned CBC since TV is no longer confined to small area in Canada.

TV set sales by Canadian factories totaled 619,428 at average price of \$341 in 1954, when production was 593,856, reports Canadian RTMA. It brought Canadian sets-in-use to about 1,125,000 at year's end. In 1953, some 422,951 sets were produced, 365,400 sold. Inventory at year's end was 43,261, compared to 63,905 at start of year. Projected production estimate is for 207,256 more sets in Jan.-March period. Montreal led in 1954 sales with 166,881; Toronto second, 107,013; Prairies, 72,624; British Columbia, 60,195; other Ontario, 54,707; Ottawa & eastern Ontario, 40,751; Hamilton-Niagara, 36,158; Quebec City, 35,012; Maritime Provinces, 27,193; Windsor, 16,130; other Quebec areas, 2764. Dec. sales were 89,078, production 93,928.

Big export business in white goods, particularly in Latin America, was disclosed this week by both Westinghouse and GE. At distributors convention in N. Y., Albert B. McClosky, consumer products mgr. of Westinghouse International, said major appliances account for 35% of all Westinghouse sales overseas. Company set export sales record in 1954 and is aiming for 15% increase this year, he said. Stressing Latin America as most fertile market for appliances, he said such countries as Venezuela and Colombia include air conditioners and other electrical appliances as standard equipment in new construction. W. R. Herod, pres. of GE International, said his company had increased sales last year by 25% over 1953 volume and had budgeted unspecified increase for 1955.

New 5-in. projection tube, to be used with receivers throwing pictures up to 8x6 ft., is being offered by RCA. Tube is type 5AZP4, uses 40,000 volts.

**Financial & Trade Notes:** Among officers' and directors' stock transactions reported by Securities & Exchange Commission for Dec.: Irving B. Babcock sold 1000 Avco, holds 7897; Parker H. Erickson sold 600 Avco, holds 400; Dr. Allen B. DuMont sold 400 DuMont Labs, holds 39,800; Benjamin Abrams, thru trusts & foundations, bought 1000 Emerson, holds 219,800 personally and 89,639 thru trusts & foundations; Max Abrams, thru trusts & foundations, bought 500 Emerson, holds 80,400 personally and 70,760 thru trusts & foundations; Wm. H. Miller sold 1300 Gabriel Co., holds 11,710; Willard H. Sahloff sold 273 GE, holds 2010; Clarence C. Walker bought 1125 GE, holds 1728; Louis Scadron sold 600 General Instrument, holds 2928; F. Robinson sold 1000 Hazeltine, holds 400; Joseph C. Chapman, thru C. C. Collings & Co., bought 1632 I-T-E Circuit Breaker, sold 1621, holds 1800 personally and 21 thru C. C. Collings; Charles M. Hofman sold 1000 Raytheon, holds 2560 personally and 2009 jointly with wife; Harold C. Mattes sold 1400 Raytheon, holds 15,534; Theodore L. Bowes bought 100 Stromberg-Carlson, holds 126; George E. Eyer bought 250 Stromberg-Carlson, holds 932; Arthur F. Gibson bought 500 Stromberg-Carlson, holds 599; Myron J. Hayes sold 100 Stromberg-Carlson, holds 110; Gordon G. Hoit bought 667 Stromberg-Carlson, holds 1080; Charles W. Pritchard bought 167 Stromberg-Carlson, holds 167; Anthony G. Schifino bought 500 Stromberg-Carlson, holds 823; Daniel G. Schuman bought 334 Stromberg-Carlson, holds 384; John H. Voss bought 167 Stromberg-Carlson, holds 197; Walter J. Maytham Jr. sold 500 Westinghouse, holds 127; John M. Schiff bought 2500 Westinghouse, holds 10,000; Harry E. Seim bought 1500 Westinghouse, holds 2944; C. S. Weber sold 300 Westinghouse, holds 582.

\* \* \* \*

Storer Broadcasting Co., at special stockholders meeting Feb. 15, will ask them to approve board action of Jan. 26 proposing share-for-share distribution of common stock and of Class B common as of Feb. 25. First, however, they must ratify proposed amendment to increase the authorized outstanding common from 1,500,000 to 3,600,000 shares and Class B from 1,500,000 to 2,500,000. There are presently outstanding 262,750 shares of common and 843,250 Class B, which will be increased to 525,500 & 1,685,500 shares, respectively. Also proposed is public sale, at discretion of board, of not more than 262,750 shares of common which would be used to reduce the company's outstanding long-term indebtedness and to redeem all or part of 15,000 shares of 7% cumulative preferred now outstanding. Release of stockholders' preemptive rights to the 262,750 shares is deemed desirable to broaden the stock's market and thereby increase opportunity for its listing on the N. Y. Stock Exchange.

Emerson Radio & Phonograph Co. earnings in first quarter of fiscal year ended Jan. 31 "may be better" than the \$449,231 (23¢ a share) earned in corresponding period year ago, pres. Benjamin Abrams told company's annual meeting Feb. 3. For current fiscal year ending Oct. 31, 1955, both profits and sales should exceed the \$1,884,976 (97¢) earned on sales of \$80,559,994 in fiscal year ended last Oct. 31, he said. Emerson booked more orders for TV receivers in 3 months ended Jan. 31 than in any comparable period in its history, he declared. Abrams said he thought it unwise to increase dividends now above 1954's 60¢. Ex-Federal Judge Simon H. Rifkind, now member of law firm of Paul, Weiss, Rifkind, Wharton & Garrison, was elected a director, replacing late Richard C. Hunt.

Sidney B. Lurie, industrial and market analyst who since 1942 has specialized in electronics for Paine, Webber, Jackson & Curtis, joins Josephthal & Co., 120 Broadway, N. Y., member of N. Y. Stock Exchange, as partner in charge of research dept.

**Electronics Reports:** Long-distance waveguide has been "used successfully in experiments," Bell Telephone Labs reported this week—with the guarded prediction that the new waveguide "might, when fully developed, join coaxial cable and radio relay as an everyday transmission medium for the Bell Telephone System." The new system, first described by Bell at 1952 NARTB convention (Vol. 8:14), uses carrier frequency of about 50,000 mc, far above super high frequency (shf) range, may someday "simultaneously carry tens of thousands of cross-country telephone conversations along with hundreds of TV programs," Bell scientists believe.

New waveguide is hollow tube constructed of tightly coiled thin copper wire, can carry signals around corners. Tube is 2-in. in diameter, but engineers foresee use of even higher carrier frequencies resulting in waveguide no thicker than a fountain pen. In recent experiments at Bell's Holmdel, N. J. laboratory, engineers bounced signals back and forth in copper pipe 500-ft. long for distances of 40 mi. They calculated that in comparison, the same waves could have traveled only 12 mi. in a coaxial cable with same loss of strength. Bell scientists point out that in the new waveguide the higher the frequency the less the loss through attenuation—exactly the reverse of other forms of transmission.

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RCA's "automated" production machine, which "triggers" punches of virtually any pattern for components in electronic printed circuit panels, was disclosed this week. RCA will use machine in own plants and sell it to others in industry for about \$14,500, with delivery in about 6 months. T. A. Smith, v.p. & gen. mgr. of engineering products div., said new device, known as RCA Printed Circuit Board Programmed Punching Machine, will result in substantial savings in time and money. As example of savings, he said that in quantities over 1000, punching of printed-circuit boards by automated machine costs average of 5¢ each, compared to \$1.73 & \$1.10, respectively, for punching boards by drill and punch-die methods. Machine, said Smith, "is operated by a glass-based cloth tape into which 'master' holes are punched to produce any combination of component holes." Machine's punches are uniformly "triggered" in pattern dictated in tape, he said. Within 6 minutes, operator can switch from one circuit pattern to another, merely by changing tapes in machine. He said machine will perforate, in 45 seconds, any combination of holes in any number of circuit patterns contained on board up to 6x17.6-in., at rate of 12,000 holes per minute. He said machine needs only one operator who can be trained "in a matter of minutes."

New "type acceptance" and "type approval" rules for non-broadcast transmitting equipment, adopted by FCC recently (Vol. 11:2), this week brought expression of serious concern from RETMA, which urged Commission to stay effectiveness of rules for 90 days and to establish Govt.-industry committee to study problems. The rules, RETMA said, "will be unnecessarily burdensome and disruptive to production processes with ultimate increased costs to the general public and they will not achieve the objectives for which they were written." RETMA stated that there are no clearly defined measurement techniques and standards with which to implement rules, said it believed they could be drawn up in 2 months for modulation characteristics, 6 months for spurious emissions, 1 year for bandwidth. The approval procedures specified, RETMA said, have no time limits and would seriously disrupt production schedules because manufacturers would never know when FCC approval would be forthcoming.

Arma Corp., electronics manufacturing subsidiary of American Bosch, Springfield, Mass., elects W. Gerard Tuttle, ex-Hughes Aircraft, industrial relations v.p.

**Color Trends & Briefs:** NBC executives are going all out in their color pitches nowadays. While pres. Sylvester L. Weaver Jr. was speaking in Detroit, urging manufacturers of non-consumer goods to make use of TV generally, color specifically (see p. 9), exec. v.p. Robert W. Sarnoff was in Rochester, N. Y. addressing Transportation Club and stating that best way set makers can stimulate color is by sponsoring color shows.

In Dallas, meanwhile, special events director Barry Wood held out promise to Salesmanship Club that Texas state fair would be colorcast this year if a sponsor came forward—scenes to go on projected *Wide, Wide World* series. Then, at Radio & TV Executives Society luncheon in New York, Richard A. R. Pinkham, participating programs v.p., stated that color will be sold primarily on a participating basis because few advertisers will be able to afford full-hour shows. He said that most color shows will be sold on same basis as *Today*, *Tonight* and *Home*.

In Rochester talk, Sarnoff stated: If color is to grow with the speed it should, more set manufacturers must go into color set production now." Then, he said, they should sponsor color programs to stimulate demand. He recalled that in early days of radio, set producers were the first sponsors. In early days of black-&-white TV, he said 10 leading receiver manufacturers were pioneer sponsors. But now, however, only RCA and Westinghouse are sponsoring color, he said. "Surely it is reasonable to expect the others," he declared, "to join in priming the pump for a new industry that one day will contribute so much to their own welfare."

Sarnoff disclosed that survey by Psychological Corp. showed that by last Nov. some 4,500,000 people had seen color programs—over twice as many as he had estimated at the time. During next 5 years, he said, it's estimated that public will spend \$3 billion more on color sets than it did on black-&-white during last 5 years.

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Competition to sell color equipment for closed-circuit medical use continued this week, following recent demonstrations by RCA and CBS in Washington (Vol. 11:4). Using field-sequential system and projector, as did CBS, GE demonstrated magnification of microscopic details to AMA conference on medical TV in Chicago. GE's Ralph S. Yeandle urged that field-sequential system had advantages over compatible system for closed-circuit use. From Dage, meanwhile, comes word of its first sale of 3-vidicon color camera for use with microscope—to C. F. Kettering Foundation, Yellow Springs, O.

One of best documents to date on color TV for station engineers is 151-page compilation of 13 papers read at last year's NARTB's engineering conference. Prepared by engineering dept., under mgr. A. Prose Walker, it has been distributed to NARTB members—first copy free, additional copies \$6 each.

Three-day color clinic, conducted by WCAU-TV, Philadelphia, drew some 100 representatives of advertisers and agencies who placed their products before color cameras. Cameras will be available an additional week.

Boon to color photography was seen in color TV by Paul L. Gittings, former pres. of Photographers' Assn. of America. When public becomes accustomed to color TV, he said, "the photographic industry will be hard pressed to keep pace with the consequent demand for color photos."

Feb. 7 week network color schedules: NBC-TV—Feb. 7, *Producers' Showcase*, "The Women," 8-9:30 p.m.; Feb. 9, *Norby*, 7-7:30 p.m.

Color set sales in Kansas City totaled 87 as of Jan. 1, according to city's Electric Assn.

RCA reports 3-V color film camera shipped Feb. 2 to upcoming WTVT, Tampa (Ch. 13), due on air mid-March.

NARTB LIBRARY

**Network TV-Radio Billings**

December 1954 and January-December 1954

(For November report, see *Television Digest*, Vol. 11:1)

(For preceding years, see *TV Factbook No. 20*, p. 39.)

**HUGE JUMP** in network TV billings in 1954 is strikingly detailed in the full-year figures released by Publishers Information Bureau this week—showing total of \$320,154,274, vs. \$227,585,656 in 1953 and \$180,794,780 in 1952. CBS-TV alone reached \$146,222,660—well over the radio billings of all networks combined, which were \$137,641,169. NBC-TV achieved \$126,074,597, ABC-TV \$34,713,098, DuMont \$13,143,919.

December was record month in TV for both CBS-TV and NBC-TV, former with \$15,060,653, latter with \$13,047,419. ABC-TV had \$3,994,832, only slightly down from record of \$4,134,103 in Nov., while DuMont had its best month of the year with \$1,457,436.

Network radio's \$137,641,169 compared with \$160,534,544 in 1953, \$163,453,466 in 1952. NBC and CBS suffered greatest drop, while ABC almost held its own and MBS incurred less severe cut. The complete PIB tables:

**NETWORK TELEVISION**

|              | December 1954       | December 1953       | Jan.-Dec. 1954       | Jan.-Dec. 1953       |
|--------------|---------------------|---------------------|----------------------|----------------------|
| CBS          | \$15,060,653        | \$10,381,879        | \$146,222,660        | \$97,466,809         |
| NBC          | 13,047,419          | 10,062,808          | 126,074,597          | 96,633,807           |
| ABC          | 3,994,832           | 2,619,862           | 34,713,098           | 21,110,680           |
| DuMont       | 1,457,436           | 1,617,058           | 13,143,919           | 12,374,360           |
| <b>Total</b> | <b>\$33,560,340</b> | <b>\$24,681,607</b> | <b>\$320,154,274</b> | <b>\$227,585,656</b> |

**NETWORK RADIO**

|              | December 1954       | December 1953       | Jan.-Dec. 1954       | Jan.-Dec. 1953       |
|--------------|---------------------|---------------------|----------------------|----------------------|
| CBS          | \$4,273,131         | \$5,554,313         | \$54,229,997         | \$62,381,207         |
| NBC          | 2,977,773           | 3,630,971           | 34,014,356           | 45,151,077           |
| ABC          | 2,365,762           | 2,854,169           | 29,051,784           | 29,826,123           |
| MBS          | 1,570,561           | 2,145,329           | 20,345,032           | 23,176,137           |
| <b>Total</b> | <b>\$11,187,227</b> | <b>\$14,184,782</b> | <b>\$137,641,169</b> | <b>\$160,534,544</b> |

**NETWORK TELEVISION TOTALS TO DATE**

|             | ABC                 | CBS                  | DuMont              | NBC                  | Total                |
|-------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| Jan.        | \$2,780,574         | \$10,713,329         | \$1,445,608         | \$10,116,937         | \$25,056,448         |
| Feb.        | 2,502,372           | 9,965,481            | 1,108,157           | 9,368,148            | 22,944,158           |
| Mar.        | 2,640,699           | 11,379,631           | 1,205,526           | 10,981,690           | 26,207,546           |
| Apr.        | 2,554,484           | 10,921,640           | 1,068,374           | 10,802,535           | 25,347,033           |
| May         | 2,411,656           | 11,488,168           | 988,350             | 11,033,987           | 25,922,161           |
| June        | 2,317,879           | 11,448,180           | 778,920             | 9,990,729            | 24,535,708           |
| July        | 2,310,281           | 11,861,534           | 623,455             | 8,149,533            | 22,944,803           |
| Aug.        | 2,514,815           | 12,275,908           | 820,633             | 8,057,484            | 23,668,840           |
| Sept.       | 2,660,601           | 12,936,020           | 802,721             | 9,798,774*           | 26,198,116*          |
| Oct.        | 3,890,802           | 13,985,922*          | 1,447,411           | 12,370,228*          | 31,694,363*          |
| Nov.        | 4,134,103           | 14,186,194*          | 1,397,328           | 12,357,133           | 32,074,758*          |
| Dec.        | 3,994,832           | 15,060,653           | 1,457,436           | 13,047,419           | 33,560,340           |
| <b>Tot.</b> | <b>\$34,713,098</b> | <b>\$146,222,660</b> | <b>\$13,143,919</b> | <b>\$126,074,597</b> | <b>\$320,154,274</b> |

**NETWORK RADIO TOTALS TO DATE**

|             | ABC                 | CBS                 | MBS                 | NBC                 | Total                |
|-------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Jan.        | \$2,830,654         | \$5,166,174         | \$1,896,925         | \$3,391,873         | \$13,285,626         |
| Feb.        | 2,494,737           | 4,749,512           | 1,783,452           | 3,176,849           | 12,204,550           |
| Mar.        | 2,764,547           | 5,456,351           | 2,034,961           | 3,639,278           | 13,895,137           |
| Apr.        | 2,367,636           | 5,044,943           | 1,891,998           | 2,962,839           | 12,267,416           |
| May         | 2,307,029           | 5,116,152           | 1,908,198           | 2,780,725           | 12,112,104           |
| June        | 2,405,994           | 4,811,677           | 1,558,196           | 2,618,614           | 10,764,481           |
| July        | 2,098,823           | 3,821,234           | 1,481,767           | 2,127,192           | 9,529,016            |
| Aug.        | 2,160,025           | 3,844,135           | 1,491,503           | 2,075,531           | 9,571,194            |
| Sept.       | 2,267,810           | 4,055,869           | 1,523,161           | 2,598,635           | 10,445,475           |
| Oct.        | 2,506,929           | 4,132,445*          | 1,572,042           | 2,738,231           | 10,949,647*          |
| Nov.        | 2,481,838*          | 4,388,374*          | 1,632,268*          | 2,926,816*          | 11,429,296*          |
| Dec.        | 2,365,762           | 4,273,131           | 1,570,561           | 2,977,773           | 11,187,227           |
| <b>Tot.</b> | <b>\$29,051,784</b> | <b>\$54,229,997</b> | <b>\$20,345,032</b> | <b>\$34,014,356</b> | <b>\$137,641,169</b> |

\* Revised as of Feb. 2, 1955.

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

Sets-in-use totaled 33,816,000 as of Jan. 1, 1955, reports NBC research director Hugh M. Beville Jr., increase of 6,000,000 for year. Beville estimated 169 stations were capable of transmitting color as year opened.

Television Bureau of Advertising (TvB) reports 83 stations, plus CBS-TV & rep Blair-TV, are charter members of promotion organization, having signed prior to Feb. 1 deadline.

Large portion of President's press conference this week—nearly two-thirds of it—was cleared for TV film release, following precedent set 2 weeks ago (Vol. 11:4). TV was subject of press conference questioning this week, with 2 reporters for *New York Post* querying Eisenhower on whether "only exchanges favorable to the Administration and the Republican Party" would be released for showing on TV. President grinned and replied: "Well, I think that is an item you can talk over with my technician, who is Mr. [James] Hagerty"—White House press secretary, who does the film cutting. He recalled that 28 minutes of the first conference were shown on TV, "and I couldn't think there could be much room for censorship there." Another question dealt with whether cutting of the films involved freedom of the press. "No head of any broadcasting company has yet protested to me," he replied, "and I can't very well make any answer until I get their protests and the reasons for it."

Radio's 1954 time sales dropped to \$453,385,000, or 5% off 1953 record of \$477,206,000, according to estimates in the 1955 *Broadcasting Yearbook and Marketbook* released this week. All classifications were down save local. The trade journal's figures: national network, \$76,219,000 in 1954 vs. \$92,865,000 in 1953; regional network, \$4,666,000 vs. \$5,192,000; spot, \$121,935,000 vs. \$129,605,000; local, \$250,565,000 vs. \$249,544,000. Local is shown to account for 55.3% of radio business, spot 26.9%, national network 16.8%, regional network 1%. Figures are for net time sales, after all frequency and promotional discounts but before deduction of commissions to agencies, reps, etc.; they thus anticipate the annual FCC revenue figures, based on station reports, which won't be made available until later this year (for 1946-53 FCC figures, see p. 34, *TV Factbook No. 20*).

House debate on televising Congressional committee sessions turned into a farce this week, with Congressmen exchanging humorous comparisons on their telegenic personalities. Debate was started by Rep. O'Brien (D-N. Y.), ex-newspaperman & TV-radio commentator in Albany, who said he supported ban on cameras by Speaker Rayburn. But 79-year-old Rep. Hoffman (R-Mich.) said House has a number of "young, eloquent" men who would look well on TV. Amid the exchange that followed, Hoffman said he was in favor of abolishing telecasts of wrestling matches because of poor "refereeing service."

TV was important influence in Democratic Party subcommittee's recommendation this week to hold party's 1956 presidential convention in Chicago, probably starting Aug. 13. Lack of network facilities doomed Atlantic City as convention site, party spokesman said, narrowing choice to Chicago and Philadelphia. As between those cities, Chicago was chosen because of more hotel space, he said. Republican National Committee meets in Washington Feb. 17 to select date and site of its convention—probably in Chicago in early Sept.

Influence of TV in the 1952 presidential election is subject of comprehensive 177-p. monograph by members of marketing dept., Miami U, Oxford, O., released by Joseph C. Seibert, chairman. Conclusion: "The results apparently would have been the same, with or without this new, and as yet untested, means of political communication."

Opposing legislation to limit tower height (Vol. 11:4), NARTB this week wrote Chairman Priest (D-Tenn.) of House Commerce Committee that 2 identical bills (S-138 & 139) introduced by Reps. Harris (D-Ark.) & Hinshaw (R-Cal.) are "unnecessary because presently established regulatory procedures are adequate."

Tennessee State Senate is latest to pass law relieving TV-radio stations from liability for on-air defamatory statements made by anyone not connected with stations. Bill had backing of Tennessee Assn. of Broadcasters.

**MARTIN CODEL'S**

AUTHORITATIVE NEWS SERVICE  
FOR MANAGEMENT  
OF THE  
VISUAL BROADCASTING  
AND ALLIED ELECTRONICS  
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# Television Digest

with **ELECTRONICS REPORTS**

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## SUMMARY - INDEX OF THE WEEK'S NEWS—February 12, 1955

FORMAL SUBSCRIPTION-TV PROCEEDINGS under way as FCC issues rule-making, giving industry 3 months to answer questions on problems (p. 1 & Special Report).

DENVER'S KBTB SOLD FOR \$1,000,000 to John Mullins, Tulsa, and Frank Leu, Nashville; Westinghouse-NBC swap of Philadelphia-Cleveland outlets cooking (p. 2).

MORE NEW TV AREAS OPENED UP as first stations go into Jackson, Tenn., Dothan, Ala. and Fairbanks, Alaska; total on air now 427 (p. 3).

JONES REPORT ON NETWORK-UHF problems, due next week, expected to take calm approach, urge further study; explosions over Plotkin Memo continue (p. 3).

PLOTKIN REPORT MAY BE SYMPTOM of antagonisms of "uhf losers" and of discarded affiliates, blaming networks for their woes (p. 4).

ECONOMICS OF SATELLITES vary widely, operators report, giving analyses of Lufkin, Tex.; Scottsbluff, Neb.; Walla Walla, Wash.; Hilo & Wailuku, T. H. (p. 6).

UHF EXCISE TAX EXEMPTION up again in Congress, Plotkin report reviving plan killed last session; bill in House would provide \$7 credit on uhf sets (p. 12).

SQUEEZE ON MILITARY CONTRACTS felt by TV-radio firms as aircraft companies enter electronics production in big way with govt. encouragement (pp. 12 & 15).

AFL ATTACKS NEWSPAPER - BROADCASTING ownership "concentration." Sen. Thurmond asks revision of "protest rule." FCC makes 4 small-town grants (p. 9).

MORE REPEATS OF LIVE PLAYS that are hits seen in Kraft experience. Warner Bros. may be getting ready to release part of film backlog (p. 9).

NATIONAL & REGIONAL SPOT accounts averaged 74 on 232 stations reporting to Rorabaugh, who lists top 25 spot advertisers (p. 10).

LAMB CASE THROWN INTO CONFUSION as govt. witness does flip-flop, repudiating previous testimony and accusing FCC attorneys of using "coercion" (p. 16).

**FCC PREPARES TO HEAR PAY-TV PROS & CONS:** An official FCC look at subscription TV is finally in the works. With issuance of notice of proposed rule-making this week, Commission made its first move just as expected (Vol. 11:5) -- laying before entire industry every question it could imagine and inviting comments thereon, but without committing itself to slightest degree on pros or cons of pay-as-you-see TV.

Wording of FCC's notice (full text herewith as Special Report) shows why vote on it was unanimous, with all 7 members present. Despite some members' instinctive predilections one way or other, they had no trouble agreeing to ask questions.

Thus, after literally years of lobbying -- principally by Zenith pres. E.F. McDonald -- proponents of fee TV finally managed at least to get Commission's ear.

Long and bitter war is in prospect. Commission has given until May 9 for industry to file comments. An additional month has been allocated for replies to those comments. After that, FCC staff will take several months to digest reactions, come up with recommendations to Commission. FCC then will have several alternatives:

(1) Seek more information. (2) Drop proposal altogether. (3) Issue a specific proposal aimed towards final commercialization. (4) Shift decision to Congress. Commission leaves its course of action completely flexible. With the possibility, even probability, of Congressional intervention and court appeals, a final decision may very well be delayed for years.

Notice was issued at Commission with air of excitement -- virtually everyone there feeling FCC has opened door on one of the most significant and controversial measures it has ever considered -- one having even more impact than the vicious color war or the monumental 4-year TV freeze and allocations proceeding.

You can expect battle cries to mount in shrill crescendo from now on. Movie exhibitors sounded the alert several months ago and have worked up to state of all-out emergency, prodded by the sledge-hammer promotion of subscription TV proponents. Now, with an official govt. forum, all other industry elements are expected to come forth, take a position. Comments can be expected from broadcasters, networks, movie

& TV film producers, manufacturers, sports promoters, theatrical unions, legitimate play producers, sponsors, ad agencies, et al.

Lobbying at Congressional level will become even more intense -- and Congress may well take ball away from Commission, which it can do if it chooses. This is more likely in case of pay-as-you-look TV than it was in color, because the issue is something everyone can understand, whereas color TV became obfuscated with technical complexities which few Congressmen took time to master. Sen. Magnuson has already promised that his Interstate Commerce Committee will look into matter (Vol. 11:6).

There are clear differences of opinion among the FCC members. At one end, Comr. Webster has maintained steadfast doubt, arguing that decision is up to Congress. At other end, Comr. Lee definitely leans toward approval; he has no objections at all to concept of paying directly for programs. Others have avoided giving any impression that they're for or against.

Text of FCC's proposal speaks for itself. It's simply a list of questions, answers to which it would like from all levels of industry. They're grouped into 3 sections: law, fact, public interest. They cover Commission's legal jurisdiction, technical data, patents, costs, programs, methods of operation, movie industry's role, impact on sponsored TV, hours of operation, safeguards needed, monopoly, impact on dissemination of news and controversial opinions, etc.

Though Zenith's petition for immediate commercialization was turned down, pres. McDonald said he was "delighted" because FCC chose one of the alternatives Zenith requested. International Telemeter stated "we welcome the notice [and] have always favored this broad approach." Skiatron stated that Commission action "should be welcomed with relief and utmost enthusiasm of all those who have the true interest of the television industry at heart."

**DENVER'S KBTV SOLD, OTHER DEALS COOKING:** Another big-city station was sold this week -- KBTV, Denver (Ch. 9) -- and it's evident that more deals are in the making. Not only are purchaser John C. Mullins of Tulsa and partner Frank Leu of Nashville paying \$1,000,000 for the Denver ABC-TV basic, but Mullins is currently dickering for still another station in the midwest, identity undisclosed.

There's also good chance that long-rumored swap of Westinghouse's TV-radio outlets in Philadelphia for NBC's in Cleveland will be consummated soon, and further personnel layoffs at DuMont Network have revived rumors that its WTTG, Washington (Ch. 5) and possibly WABD, New York (Ch. 5) may be sold. Neither Westinghouse nor NBC is confirming anything, nor will DuMont.

It's an open secret that the network and Westinghouse have been dickering and that Westinghouse is pursuing a policy of owning stations in areas where it has big manufacturing operations. That was one reason given for paying record \$9,750,000 to DuMont recently for its WDTV, Pittsburgh (Ch. 2), now KDKA-TV (Vol. 10:49-50).

If swap is made, it's good guess there will be an added quid pro quo on NBC's part in consideration of fact that Philadelphia area stands 4th, Cleveland 10th in U.S. Census Bureau market rankings. Westinghouse would give up Ch. 3 WPTZ, for which it paid Philco \$8,500,000 in 1953 (Vol. 9:8) and radio KYW (50-kw, 1060 kc) and take over NBC's Ch. 3 WNBK with radio WTAM (50-kw, 1100 kc). NBC is also hell-bent to get into San Francisco, 7th market, has unavailingly tried to buy KRON-TV (Ch. 4).

For the Denver station, Mullins and Leu are paying \$900,000 cash, assuming notes and mortgage adding up to another \$100,000 after deducting assets. They buy the TV company from 17 stockholders (see TV Factbook No. 20, p. 80), one of whom (9.32%) is Aksel Neilsen, friend of President Eisenhower who visits his Colorado ranch frequently. Stockholders W.D. Pyle & T.V. Eckram retain their radio KVOD.

The TV station has operated in red mostly since losing CBS affiliation to KLZ-TV in Nov. 1953, but lately has had some profitable months. Mgr. Joe Herold and staff will be retained. For John Mullins it's a return to TV, for it was he who took over tottering KPHO-TV, Phoenix (Ch. 5) in 1949 from group of Texas oilmen, put it on its feet, then sold it to Meredith for \$1,500,000 (Vol. 8:18).

Note: While most deals are usually hushed until at least the handshake, one station openly on market is Barton Pitts' KFEQ-TV, St. Joseph, Mo. (Ch. 2).

Full Text of FCC's

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## Proposed Rule-Making On Subscription Television

Beginning Exploration of Major Questions and Problems

including

Request for Industry Responses on Questions of Law, Fact and Public Interest

Noticed of Proposed Rule-Making Issued Feb. 11, 1955 as FCC Public Notice 55-165, Mimeo 15728

Comments Due by May 9, 1955 (see *Television Digest*, Vol. 11:7)

In the Matter of

Amendment of Part 3 of the Commission's Rules and Regulations (Radio Broadcast Services) to provide for Subscription Television Service

Docket No. 11,279

### NOTICE OF PROPOSED RULE MAKING

1. Notice is hereby given of rule making in the above-entitled matter.

2. The Commission's present rules and regulations do not authorize subscription television operations. Television stations under our existing rules may not transmit programs for reception by the public on home receivers where such programs can be received only by those members willing to pay a specified fee. The current general practice in the television field is the indirect payment for programs by advertisers. The purpose of this proceeding is to determine whether the Commission should amend its rules and regulations to authorize television stations to transmit programs paid for directly on a subscription basis.

3. The successful operation of a subscription television system depends in large part on its ability to confine the reception to subscribers. A number of different methods for accomplishing this objective have been devised, and the Commission has during the past five-year period authorized the experimental testing of several systems. Data with respect to the results of these experimental operations has been made available to the Commission. These methods differ principally (1) in the manner of "scrambling" the picture so that when transmitted by the station it will be unusable by the general viewing public, and (2) in the manner of collecting payments for the programs received. Three subscription television systems have received experimental authorizations from the Commission. These are: "Phonevision," developed by Zenith Radio Corporation; "Subscriber-Vision," proposed by Skiatron TV, Inc.; and "Telemeter," advanced by International Telemeter Corporation. Phonevision contemplated the use of telephone lines to transmit the correcting signal to the home receiver, with the subscriber billed by the telephone company for the various programs ordered; however, work is being done on methods for providing the decoding signal without the use of telephone lines. In the "Subscriber-Vision" system, customers would purchase punch cards which, when inserted in the receiver, would actuate the decoding apparatus. Under the "Telemeter" method, subscribers would pay for each program as it is viewed by means of a coin box attached to the receiver which would actuate the decoding apparatus.

4. Petitions for the authorization of subscription television have been filed by Zenith Radio Corporation, proponent of "Phonevision," and Skiatron TV, Inc., proponent of "Subscriber-Vision." In addition, petitions have been filed by a number of television licensees and permittees urging that rule-making proceedings be instituted looking toward the authorization of a subscription television service.<sup>1</sup>

5. The petitions presently before the Commission urge the authorization of a subscription television service. The petitioners submit that subscription television would open new vistas of entertainment and information to the indus-

try by making available to the viewing audience programs that could not otherwise be broadcast by the various stations in light of operating economics or program restrictions. They urge that the quality of programs that would become available under subscription television would enable UHF stations and non-network stations to compete with VHF stations and network affiliates for a larger share of the television audience. The petitioners submit that where UHF stations can present high quality programs, through the medium of subscription television, UHF set conversions would follow as a matter of course, thereby strengthening the status of the UHF. The petitioners allege that field tests of the various subscription television systems conducted during the past several years demonstrate that a subscription television service is both technically feasible and practicable; that such a service would not conflict with the present system of television broadcasting; and that a majority of the public would be willing to make direct payments of reasonable charges for the privilege of receiving high quality television programs of a type not currently available. In addition, some of the petitions presently before us urge that subscription television be limited for a time to UHF operations, or that they be limited to small markets.

6. On November 29, 1954, Zenith Radio Corporation and Teco, Inc., filed a substitute petition concerning subscription television. Zenith and Teco now urge that the Commission (1) without further proceedings, declare that Section 3.682 (transmission standards) and Section 3.687 (transmitters and associated equipment) do not prohibit subscription television by a commercial television station and will not be so interpreted or applied by the Commission where the transmissions and transmitting equipment to be effected and used by a station have been approved by the Commission upon specific application therefor by a commercial television licensee; or (2) that the Commission, without further proceedings, declare that it will waive the above requirements in cases where, upon specific application by a commercial television station, the Commission has approved transmissions and transmitting equipment designed to effect a system of subscription television; or (3) that the Commission, after "simplified and limited rule-making proceedings," modify the above requirements so that the rules "expressly contemplate the rendition of subscription television service by commercial television stations where such transmissions and transmitting equipment have been approved by the Commission upon specific application therefor by the holder of a commercial television station license." Mr. Harold E. Fellows, President of the National Association of Radio and Television Broadcasters (NARTB) submitted a letter dated January 4, 1955, in connection with the Zenith-Teco petition and, although not commenting on the merits of subscription television, urges that the Commission give this matter its consideration in a full rule-making proceeding. On January 6, 1955, the

<sup>1</sup>Zenith Radio Corporation filed a petition on February 25, 1952, urging adoption of its Phonevision system. Skiatron TV, Inc. filed a petition on September 14, 1954 with respect to Subscriber-Vision. In addition, petitions by various existing television stations supporting the adoption of subscription television have been filed by Home News Publishing Company, Pennsylvania Broadcasting Company, Stamford-Norwalk Television Corp., Connecticut Radio Foundation, Inc., Eastern Broadcasting Corporation, Big Spring Broadcasting Company, Appalachian Company, Northwest Television Company, Matta Enterprises, Peoples Broadcasting Company, and Joseph Brenner.

Joint Committee on Toll-TV<sup>2</sup> filed an Opposition to the Zenith-Teco petition, urging that a "a full public hearing" be held on the substantive matters raised by the petition.

7. The Commission does not believe that it would be appropriate at this time to authorize subscription television operations on a case-to-case basis as requested by Zenith Radio Corporation and Teco, Inc. The Commission feels that, before it would adopt such a significant change as subscription television, the matter should be considered in a general rule-making proceeding in which all phases of the problem may be afforded detailed and careful consideration. In response to the petitions submitted, the Commission is instituting a subscription television rule-making proceeding, in order that all interested parties may have the opportunity of submitting their views with respect to this matter and that the Commission may be apprised of such views prior to taking further action.

8. The Commission desires that the comments submitted in this proceeding be directed to the following questions and issues and present information and data with respect to the following aspects of subscription television:

### I—Questions of Law

A. Whether the Commission has the authority under the Communications Act of 1934, as amended, to authorize and regulate subscription television operations.

B. Whether subscription television constitutes "broadcasting" within the meaning of Section 3(o) of the Communications Act of 1934, as amended; and if it is not "broadcasting," whether subscription television constitutes a common carrier or other type of service, and whether the Commission has the authority to permit subscription television to employ channels assigned to television broadcasting.

C. If, under the Communications Act of 1934, as amended, the Commission does not have the authority to authorize and regulate subscription television, what amendments to the Act would be required in order to permit the Commission to authorize and regulate such a service?

D. What rules and regulations of the Commission would have to be amended in order to permit the Commission to authorize and regulate subscription television operations?

(Comments with respect to the foregoing questions of law should be submitted in the form of a brief or memorandum of law and should specify with clarity the provisions of law and legal precedents relied upon for authority.)

### II—Questions of Fact

Information and data should be submitted with respect to the following matters:

A. Technical data relating to the operation of proposed subscription television systems, including information as to the complexity and the dependability of the equipment to be employed in the systems proposed.

B. The extent, if any, of the degradation to the quality and character of the primary broadcast service, either monochrome or color, that would result from subscription television operations, as well as any interference that would be caused by such operations to other stations on the same channel, adjacent channels, or other pertinent frequencies. Information should be included relating to any adverse effect that would be caused to receivers now in the hands of the public by subscription television operations.

C. Data relating to the cost of equipment, including the cost of necessary modification of existing transmitters and receivers for subscription television operations.

D. Data with respect to the cost of the proposed subscription television service to the viewing audience.

E. Information with respect to the means, methods and organization to be employed by the proponents of subscription television systems in their use of the television broadcast frequencies, including complete information with respect to the plans and proposals of interested persons who intend to engage in subscription television operations.

F. Information with respect to the needs of the television broadcasting industry for additional revenue and program resources that would become available through the medium of subscription television.

G. Information relating to the extent that certain in-

formation, events and entertainment are now unavailable to the public over existing television broadcast facilities including the current trends in this respect, as well as the anticipated capacity of subscription television to increase the use of television broadcast frequencies as a medium for bringing such material to the public.

H. Information relating to the anticipated nature and extent of the use of time on commercial television stations by subscription television operators.

I. Information relating to the length of time anticipated to be required for establishing subscription television in existing markets.

J. Information indicating who controls the patents on the devices to be used in transmitting and receiving equipment for subscription television; and information with respect to the arrangements that will be employed for the licensing of such patents for the competitive manufacture of subscription television equipment.

K. Information disclosing the role to be played by the motion picture industry in subscription television.

L. Information disclosing the role to be played by the networks in subscription television.

M. Information indicating who will control the production and distribution of programs to be employed in subscription television operations.

N. Information indicating the types of programs that will be available for transmission on subscription television.

### III—Questions and issues relating to public interest considerations to determine:

A. Whether the authorization of subscription television and its regulation by the Commission would "generally encourage the larger and more effective use of radio in the public interest" within the meaning of Section 303(g) of the Communications Act of 1934, as amended.

B. The impact that subscription television will have on advertiser-sponsored broadcasting.

C. The effect that subscription television will have on the broadcast of news and the dissemination of diverse views on controversial issues; as well as the safeguards, if any, that will be required in order to insure that the broadcast of such information will continue to be available to the public without charge.

D. The safeguards, if any, which would be necessary to insure that the public in all areas of the country will continue to be provided with well-balanced programming without charge.

E. The safeguards, if any, that would be necessary to prevent the possible monopolistic control of subscription television operations.

F. The means that should be provided, if any, to insure that subscription television service will be available to all stations on a non-discriminatory basis.

G. The nature and extent of regulation required in order to insure that the public interest would be served, both during the early stages of subscription television operations, and after the system has been established, particularly with respect to:

1. Whether subscription television operations should be limited to a single system, or whether general standards should be provided within which a number of systems can operate.

2. Whether subscription television transmissions should be limited as to the number of hours or the segment of the broadcast day; whether such operations should be permitted on more than one station in a community; whether such operations should be limited in communities with only one station in operation; etc.

3. Whether subscription television should be limited only to UHF stations, or to stations in small markets.

4. The rules, if any, that would be required to insure that the public would be protected from possible injury due to obsolescence of subscription television equipment.

5. Any other amendments of the rules and regulations that would be required to permit the operation of a subscription television service.

9. Authority for issuing this notice is contained in Sections 4(i), 301, and 303(a), (b), (e), (f), (g), (i), and (r) of the Communications Act of 1934, as amended.

10. Any interested party desiring to file written comments with respect to the above matters should submit such comments on or before May 9, 1955. Comments in reply to the original comments should be filed on or before June 9, 1955. In accordance with the provisions of Section 1.764 of the Rules, an original and 14 copies of all comments shall be furnished to the Commission. The Commission will specify in subsequent notices such further proceedings as may be necessary, including oral hearings and the time and nature of any demonstrations or tests.

\* \* \* \* \*

[Comr. Frieda Henlock issued separate statement terminating FCC action "salutary" but urging that Commission schedule oral hearing instead of requesting written comments.]

<sup>2</sup>The Joint Committee on Toll-TV is an association composed of the following organizations: Allied States Association, Theatre Owners of America, Texas Drive-In Theatre Owners of Texas, Southern California Theatre Owners Association, the Kentucky Association of Theatre Owners, The Independent Theatre Owners Association of New York, and The Metropolitan Theatre Owners Association.

**STILL MORE NEW TV AREAS OPENING UP:** Three new vhf stations -- 2 of them opening up new TV areas in the South, one starting in Alaska -- have begun test operation. They bring on-air total to 427, of which 114 are uhf. Latest starters:

WDXI-TV, Jackson, Tenn. (Ch. 7), planning March 1 CBS interconnection, is all set for Feb. 12 test patterns, reports Washington attorney D.F. Prince, 6 2/3% owner. Nearest other outlets are in Memphis, 75 mi. distant. It uses 10-kw Federal transmitter, 500-ft. Stainless tower, 12-bay antenna. The gen. mgr. & majority owner is Aaron B. Robinson, who also controls radio WDXI and 5 other Tennessee AMs and who is publisher of Corinth (Miss.) Corinthian. Jack Murphy is sales mgr.; Larry Crenshaw, program mgr.; James Thomas, chief engineer. Base rate is \$150. Rep is Burn-Smith.

WTVY, Dothan, Ala. (Ch. 9) starts programming Feb. 12, having tested for 2 weeks, wires mgr. F.E. Busby. Near Ga.-Fla. border, it's 75 mi. from Panama City, Fla., 77 from Albany, Ga., nearest with stations. Owners are local group headed by builder Charles Woods. It uses 500-watt DuMont transmitter, 420-ft. Stainless tower, 6-bay RCA antenna. Base hour is \$150. Rep is Adam Young.

KTVF, Fairbanks, Alaska (Ch. 11) is now testing, plans commercial start in 10 days. It's competing with KFAR-TV (Ch. 2), which has also just made debut (Vol. 11:6) in town whose last reported pop. figure was mere 5771 (1950). A.G. Hiebert, pres.-gen. mgr., also operates KTVA, Anchorage (Ch. 11). KTVF has 2-kw RCA transmitter, 6-bay GE antenna. Mgr. is Walt Welch, ex-KTVA. Rep is Alaska Radio-TV Sales.

**THE BIG SWITCH—JONES & PLOTKIN MEMOS:** The loud noise you just heard was a backfire.

Webster has several definitions of "report" -- but perhaps the one which best fits the report submitted to Senate Commerce Committee last week by Harry Plotkin is: "an explosive noise; fireworks, an explosive report of a rocket." That's true, at least, insofar as the networks have reacted, publicly and privately.

When it first became known last summer that Sen. Bricker (R-O.), then chairman of the committee, intended to put ex-FCC Comr. Robert F. Jones in charge of a new investigation of network controls and the uhf situation, the networks hit the ceiling. But their fears were considerably allayed when Democratic committee members succeeded in getting former asst. FCC general counsel Harry Plotkin installed as "minority counsel" for the investigation.

They hit the ceiling again when Plotkin submitted his now "majority counsel" memorandum last week, favoring far-reaching changes in network practices (Vol. 11:6), which some observers saw as opening the doors to classifying networks as "common carriers." Jones' report -- which was not released this week as scheduled -- on the other hand, is due to be a surprise for the note of calmness it sets.

While Jones was the one generally expected to embrace the common-carrier concept, as well as call for re-allocation, his report -- now due for release next week -- will urge further study by Commerce Committee before conclusions are reached.

Last-minute revisions of Jones report were responsible for its delay. While report is not expected to "answer" Plotkin proposals, it is believed to have been toned down and the emphasis changed as result of the subject matter of the Plotkin Memorandum and the explosive reaction to it. Jones report will stress lack of information available on which to make sound decisions, citing inadequacy of data made available by FCC and the networks. It will urge further study at the Congressional level of network-station relations and the entire uhf problem.

Report itself is 30-pp. (as opposed to Plotkin's 44-pp.), also contains some 40-pp. of appendices, including factual tabular data obtained from FCC, networks, etc. Dipping into previously released FCC statistics, Jones report expresses alarm that 80% of annual TV revenue goes to stations in first 50 markets. Though report is understood to take a few swipes at allocation plan, it does not propose a reallocation at this time, but merely further study.

The alarm created in network circles by Plotkin Memorandum apparently took Commerce Committee Chairman Magnuson (D-Wash.) by surprise. In attempt to pour oil on troubled waters, he sent this letter to presidents of the 4 TV networks Feb. 9:

"When the memorandum prepared by Harry Plotkin [was] released last week, I stated that the Committee had not taken formal action on the memorandum and would

not until it had heard from the appropriate agencies and all interested parties.

"I want to assure you that adequate opportunity will be afforded you to present your views as soon as a definite schedule is prepared by the Committee. In the meantime, I am enclosing a copy of the memorandum and if you care to submit any comments or observations they will be appreciated."

A "scientific cross-section" of 27 CBS-TV affiliates from small, medium and large markets met this week in New York, meanwhile, to prepare a counter-attack (for list of those attending, see p. 8). In what was described as extremely harmonious discussion, they decided to take action to "inform the public" of their side of the question and discuss the matter with "appropriate govt. officials." No dissenting voices were heard. Following 7-hour meeting, group issued this statement:

"The proposals of Mr. Plotkin, if adopted, would jeopardize TV's most popular live entertainment and public service programs as they are presented today, and seriously interfere with future program planning. Every TV set owner should be most concerned with the possible consequences of these proposals."

Reaction to Plotkin Memorandum wasn't all unfavorable -- far from it. Mail to Commerce Committee was heavy, and almost without exception favored at least some of Plotkin's recommendations. Much of it was from uhf operators.

Public hearings are due to begin in March, with testimony by FCC and Justice Dept. The chief counsel for the network-uhf inquiry hasn't been selected.

Preview of hearings will come Feb. 23, when Committee will hold hearing on President Eisenhower's nomination of Chairman McConaughy to FCC. He has been serving on interim appointment. Senators are expected to put him on the spot by asking his opinion of Plotkin and Jones reports.

\* \* \* \*

Another prospective TV investigation -- by anti-trust & monopoly subcommittee of Senate Judiciary Committee -- took another step forward this week when Committee Chairman Kilgore (D-W.Va.) took over chairmanship of subcommittee. Other members are Democrats Kefauver (Tenn.), Hennings (Mo.), O'Mahoney (Wyo.) and Republicans Wiley (Wis.), Langer (N.D.), Dirksen (Ill.).

Subcommittee hopes to "keep out of non-monopoly issues which would normally come under the purview of the Interstate & Foreign Commerce Committee," a Kilgore aide said. He added that present plans are to take up the TV monopoly question as "part of a group of inquiries into a number of industries," with some indication the probe may concentrate -- at the outset, at least -- on "monopolistic practices" in the manufacturing end of the TV industry.

Fears of possible overlap between the 2 investigations weren't dispelled by clarification offered Feb. 4 on Senate floor by Sen. Magnuson in debate over appropriation for Commerce Committee (Vol. 11:6). Under questioning by several Judiciary Committee members about conflicts between the committees on a number of inquiries, he said: "I wish to make it clear that in the study now being conducted and continued regarding radio, TV, and the Dixon-Yates contract, if any evidence of monopoly in those fields should be developed, it is my intention to send such evidence to the Committee on the Judiciary, which I think has jurisdiction over monopoly questions."

**SOME PROVOCATIONS BEHIND PLOTKIN'S REPORT:** There aren't many loud rooters for the provocative Plotkin Memorandum, which is generally regarded as a revived manifestation of the strict-control policy of unlamented New Deal days as against the laissez faire policy now more or less prevailing.

But whether the networks like it or not, the fact is that letters to Senate committee, mostly from "uhf losers," are heavily weighted on the side of Plotkin's recommendations; that the national station sales representatives, with their purse-string influence, would love to see the networks yanked out of the rep field; that the film syndicators would like to see option time abolished.

Bitterest antagonists of the networks seem to be the uhf and small-town operators, who blame them for much of their woes -- often unfairly, in fact, though it is true that 37 uhf stations have gone off air since July 1953. If the networks had

been freer in making affiliations with uhf stations, had kept hands off promoting the advent of vhf into uhf-pioneered markets, some of them think they might have fared better. They're looking for a "fall guy," of course, though it's evident some uhf projects were ill-fated economically from the start.

NBC retorts that FCC has been urging the networks to go into uhf, offering inducement of extra-2 ownership; that it has 5 primary uhf affiliates, plans super-power uhf operation of own on Mt. Higby, Conn. (Vol. 11:2); that it plans another at yet unselected site. CBS also has uhf affiliates, and itself is about to tackle the ownership of a uhf station (WXIX) in intermixed Milwaukee. And, so far as the small-town telecaster is concerned, CBS can point proudly to its efforts on their business behalf via its new Extended Market Plan (Vol. 10:49-51).

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Biggest detractors of network power -- though by no means full subscribers to Plotkin's ideas -- are station operators who lost affiliations through what they regard as no fault of their own. Affiliation pullaways got so serious lately that the trade journal Broadcasting-Telecasting reported this gag rampant at recent NARTB board meetings in Florida: "You can't tell your affiliation without a scorecard; get today's morning lineup." For some, it was pretty grim humor.

Those who lost or stand to lose major network affiliations are so bitter that some have gone to their Senators & Congressmen. On this score, CBS's record is the most easily assailed, notably on the score of its recent switches in Indianapolis, Cleveland, Kansas City, Omaha, Phoenix, Albany. Only last week it shifted away from U of Missouri's KOMU-TV, Columbia, to the new KRCG, Jefferson City, causing consternation at that commercially-operated university station.

There were business reasons behind each switch -- but that didn't conduce to make friends for CBS at Scripps-Howard, whose Cleveland outlet it forsook in favor of one newly purchased by Storer; in Kansas City, where it switched away from a station it helped put together less than 1½ years ago in order to tie up with Meredith whose Phoenix station it had abandoned in favor of Gene Autry's newly combined outlet; in Albany, where it dropped the uhf owned jointly by the veteran Col. Harry C. Wilder and powerful Stanley Theatre interests in order to switch to the uhf owned by a group headed by Lowell Thomas (now seeking switch to vhf channel).

NBC got into TV earlier, has enjoyed somewhat more steadfast loyalties, stemming in part from fact that it prodded so many of its affiliates into TV when video was still a risk venture and while CBS was still advising some of its oldest radio affiliates to stay out. Yet NBC's New Haven vhf affiliate is assailing it and threatening to go to court because NBC plans to make that area its major uhf proving ground, which means dropping that long-standing vhf affiliation. NBC plans another uhf, says it knows none worth having that it can acquire without losing an existing affiliate.

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After CBS's Albany switch, the Wilder-Stanley uhf quit the air last week (Vol. 11:6), darkening a plant said to represent \$1,000,000 investment. This move appears to be an obvious prelude to an anti-trust action, which means triple damage demands. Counsel for the Wilder station -- ex-FCC chairman Paul Porter, himself a onetime CBS lawyer and one of heads of the law firm in which Plotkin is a member -- is openly threatening legal action on grounds that Lowell Thomas used his bargaining position as a contract performer to gain an undue competitive advantage in another field.

CBS is not undisturbed by the cries of havoc it has evoked, but its position is that it is shifting and switching as matter of simple business prudence, not mere ruthless whim or caprice -- and that it is impelled by competition to seek best possible outlets it can get for its advertisers. There's no gainsaying that argument.

Yet there's no denying, either, that network loyalties are becoming more tenuous, more strained, as the TV child grows up and as more TV stations are born; that "divorces" and "remarriages" occur at the drop of a termination clause; that many affiliates, signing contracts for the FCC-imposed limit of 2 years but terminable on notices as short as 30-60 days, quake in fear of losing their network program bloodstream no less than they have always quaked at the powers of the FCC, no less indeed

than the whole industry has always stood in awe of the influence of Congress -- and especially of the Senate Committee on Interstate Commerce and its chairman.

Network loyalties are only dollar deep, it has been said -- and cold economic factors, not sentiment, have perforce dominated the competitive struggle ever since it became evident that dollar stakes had grown enormously as result of the "revolution" that TV has wrought in the business of broadcasting.

\* \* \* \*

The Plotkin report, Congressional probes, possible court suits -- everything seems to point up the inescapable fact that the networks, more especially NBC & CBS, exercise a life-or-death power over many affiliates -- much more so in TV than ever in radio -- albeit they are intense competitors; that ABC is coming along slowly as a competitive factor, still running a poor third; that DuMont, if it survives as a network at all, is likely to be on the side of stricter control, as it has been in the past, inclined to blame the other networks for its poor fourth position and wanting the Govt. to do something about it.

And the fact is that their very bigness, their huge profitability, their keen sense of political relations and sensitivity to political blandishments, make the networks convenient whipping boys for everyone with a gripe.

**MANY VARIATIONS IN SATELLITE PATTERN:** Big question about satellites is economic -- how they can be made self-sustaining, let alone profitable. FCC has given its go-ahead and proposes to relax rules even further -- to permit mere 100-watt outlets (Vol. 10:51) -- but the revenue-expense picture is still by no means clear.

We've spot-checked those who have grants or applications for satellites, and who propose little or no local originations initially, and find that their thinking varies considerably -- depending entirely on local conditions.

Most interesting operation proposed is that of KTRE-TV, Lufkin, Tex. (Ch. 9), due on air by Sept. 1. Though most proposed satellites are being built by metropolitan stations seeking to extend their coverage to smaller towns, KTRE-TV ownership is completely independent of KPRC-TV, Houston, from which it will get programs, including full NBC schedule. Agreement between the 2 is due to be signed shortly, so details aren't yet available, but general principle is that KTRE-TV will be able to insert slide and film commercials.

Mgr. Richard Lewin is greatly enthused over prospects, predicting that setup will furnish blueprint for bringing top-notch programming to small towns over the entire nation. "The economic base is assured," he said. "We have enough business committed from Texas advertisers alone to see us through the first year." Station will have 6 employes in addition to the 12 of radio KTRE. Lewin estimates he'll be able to operate at \$8000 or less per month.

Quite different approach is that of Richard O. Dunning, pres. of KHQ-TV, Spokane, Wash., which has applied for Ch. 5 in Walla Walla. Recently, a competing application for the channel was filed by KIMA-TV, Yakima, Wash. (Ch. 29), which operates satellite KEPR-TV, Pasco, Wash. (Ch. 19) and this week obtained non-satellite CP on Ch. 3 in Lewiston, Ida. Here is Dunning's outlook:

(1) "Satellites will be programmed by already existing network stations and therefore the programming costs, which normally are severe in television, are reduced to an absolute minimum.

(2) "If the satellite is located properly within the mother station trade territory, both network national spot and local rates can be increased as the satellite markets develop in sets-in-use.

(3) "Local announcements sponsored by business firms in the satellite communities can be sold at the satellite level in unoccupied announcement periods of the main station." Summarizing, Dunning says:

"At best, I personally do not see any great profit emanating from any satellite operation. In its final sense, it amounts to delivering TV service to a satellite market on a cost basis by the mother station. The only thing that would produce greater income and profit would be expansion and growth of the satellite

market, which would enable it eventually to be programmed partially on a local basis and sold on a local basis to local advertisers in the satellite market."

\* \* \* \*

Still another viewpoint is that of the small-city operator to whom even a small increase in sets-in-use is extremely important. Wm. C. Grove, mgr. of KFBC-TV, Cheyenne, Wyo., now constructing satellite KSTF, Scottsbluff, Neb. (Ch. 10) notes:

"It is an unalterable fact that the national advertiser, both spot and network, looks primarily at the cost-per-thousand. And so, any station must get its cost-per-thousand in line. KFBC-TV has had gratifying support from national spot advertisers during its less than one-year operation. Network programming, too, has come along very well. We are currently carrying approximately 15 commercial network shows per week. However, it is our desire to continually expand our hours of operation. This means more network programs are needed, and more national spot advertising, both for the programming and the revenue.

"By constructing KSTF at Scottsbluff, we will nearly double our set count, and we believe this is the way for small-town TV stations to do the job."

\* \* \* \*

A totally different problem confronts KGMB-TV, Honolulu, which now holds CPs for satellites KHBC-TV, Hilo (Ch. 9) and Ch. 3, Wailuku (no call letters yet). It's a matter of fantastically rugged terrain, v.p. C. Richard Evans points out.

Entire population of all the Hawaiian Islands is 500,000, with 3/5 of the people living within 10 mi. of KGMB-TV transmitter. "Economically," Evans says, "it is far easier to operate a successful TV station in a market of 500,000 people than it is in one of 300,000 and for this reason we are adding our new satellites." Job of reaching those other 200,000 can be done only by satellites, he adds. "The population outside of Honolulu is so widely scattered that an independently operated TV station would not be economically feasible at any out-island location. Community antenna systems are impractical. One example of the reason is that on the island of Hawaii you have a total of 65,000 people scattered along 200 mi. of coastline."

Evans points out that 35,000 live in Hilo district behind a 13,000-ft. volcano, another 35,000 on Oahu behind two 13,000-ft. volcanoes, 35,000 more in Maui valley between 10,000-ft. and 5000-ft. mountains, etc.

The only answer is satellites, Evans says, and if anyone talks of "monopoly" and "unfair competition," he adds, "it should be noted that these satellites are an added expense that many stations are not called upon to bear in order to render service and succeed economically. All 3 will be quoted on a single rate card."

From cost standpoint, only Hilo and Wailuku operations approach the popular concept of satellites. KGMB-TV's estimate for Hilo is \$33,035 for plant, \$9360 for yearly operating expenses; Wailuku would run \$24,435 to build, \$21,000 to operate. Estimate for Lufkin is \$133,554 for plant, \$75,000 for operating; Walla Walla, \$136,626 plant, \$31,200 operating; Scottsbluff, \$67,000 plant, \$48,000 operating. Even if the Commission relaxes rules to permit 100-watt operations with no minimum height, as expected, no drastic cost reduction is anticipated.

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Only one true satellite is actually operating today -- KEPR-TV, Pasco -- but no report on its operations has yet been supplied. Only one other satellite CP is outstanding -- KPAR-TV, Sweetwater, Tex. (Ch. 12) -- to be fed by KDUB-TV, Lubbock. There are 2 applications for Ch. 3 satellite in Mayaguez, P.R., filed by WKAQ-TV and WAPA-TV, San Juan. Competing with them is application for regular station filed by owners of WJMR-TV, New Orleans.

Term "satellite" should be used with caution. For example, both Scottsbluff and Lufkin will start with some local film and slides, and will expand as they can afford to. FCC itself meticulously avoids using the term -- because it wants to encourage expansion of local programming and not give impression it's setting up a separate class of stations from which it expects no local programs indefinitely. Worth noting is that virtually all applications and grants are for vhf.

**Personal Notes:** Thomas A. McAvity, NBC-TV network programs v.p., promoted to v.p. in charge of TV network; Richard A. R. Pinkham, v.p. in charge of participating programs dept., elevated to TV network programs v.p.; Earl Röttig, v.p. in charge of TV network program production & business affairs, moves up to TV network services v.p.; Mort Werner promoted to director of participating programs, Wm. V. Sargent to director of TV network business affairs . . . Sylvester L. (Pat) Weaver, NBC pres., leaves Feb. 12 on month's European vacation . . . Selig J. Seligman, asst. to ABC western div. v.p., named acting mgr., KABC-TV, Los Angeles; Amos Baron, named mgr. last fall, returns after siege of illness to former job of mgr. of radio KABC, with John Hansen becoming asst. to Elton Rule, KABC-TV sales mgr. . . . George A. Koehler promoted to new post of station mgr., WFIL-TV, Philadelphia, reporting to gen. mgr. Roger W. Clipp; Sherman Gregory advanced to TV sales mgr. . . . Jack L. Mohler, ex-WOR, N. Y., named director of sales development, CBS-TV Spot Sales; John Donald Foley promoted to director of sales promotion . . . David Williams, ex-International News Service, named eastern mgr., CBS-TV station relations dept. . . . Edwin R. Borroff, ex-v.p. in charge of old Blue Network's western div., later sales mgr. of Westinghouse Radio Inc., joins NBC central div. radio sales . . . Robert J. Kolb named regional sales mgr., WOR-TV, N. Y. . . . John Eichorn promoted to asst. to Otto Brandt, v.p.-gen. mgr. of KING-TV & KING, Seattle, replacing Robert Priebe, resigned; Fred Von Hofen succeeds Eichorn as mgr. of radio KING . . . Thomas E. Howard promoted to engineering v.p. of Jefferson Standard Bcstg. Co. (WBTW & WBT, Charlotte; WBTW, Florence, S. C. & 16% of WFMY-TV, Greensboro) . . . Wm. Thomas Hamilton, ex-CBS, named sales mgr., WNDU-TV, Notre Dame station at South Bend (Ch. 46), which hasn't set on-air target yet . . . Dick Holloway, ex-WTRC, Elkhart, Ind., named national sales mgr. of WSBT-TV, South Bend, succeeding Robert H. Elrod, who resigned to join NBC, Chicago . . . John E. Hill, on leave from radio KDKA, Pittsburgh, appointed program mgr. of KTRK-TV, Houston . . . John Kelly promoted to station mgr., KRBC-TV, Abilene, Tex., Steve Cowan succeeding him as program director; Larry Fitzgerald promoted to production director . . . R. H. Rollinson appointed eastern sales mgr. of Quality Radio Group, tape network headed by Crosley's Ward Quaal . . . Stanley B. Cohen, associate of TV-radio attorney Leo Resnick, Washington, resigns as of March 8 . . . Burt Lambert, ex-WNEW, veteran of broadcasting industry, joins Ziv-TV . . . Jerry Cotter, ex-ABC, named director of TV research, National Legal Aid Assn., 36 W. 44th St., N. Y. . . . Frank W. McMahon named adv. & promotion mgr., MCA-TV film syndication div. . . . James Blair, mgr. of Philadelphia office, promoted to asst. national sales mgr., Teleprompter Corp. . . . Gordon A. Hellman, CBS-TV director of sales presentations, elected pres. of Johns Hopkins Club of N. Y.

Vitapix Corp. reelected WKZO-TV's John Fetzer as chairman, KWFT-TV's Kenyon Brown as pres., at N. Y. stockholders meeting this week, where it reported 6 new members had brought total to 53. Other officers: Edward Hall, exec. v.p. & gen. mgr.; Joe Baudino, Westinghouse, v.p.; Paul O'Bryan, Washington counsel, secy.-treas. Directors: Charles Crutchfield, WBT; William Fay, WHAM-TV; Edward Wheeler, WWJ-TV; Richard Borel, WBNS-TV; Howard Lane, KOIN-TV; Leonard Reinsch, WSB-TV; Robert Swezey, WDSU-TV; George B. Storer Jr.; Clair McCollough, WGAL-TV.

Comdr. Raymond Asserson Sr., 64, USN ret., 1913 graduate of the Naval Academy and onetime asst. chief engineer of FCC, died Feb. 4 at his son's home in St. Thomas, Virgin Islands.

Top executives of 27 CBS affiliates from 22 states, representing both vhf & uhf stations and comprising what CBS described as "a cross-section of the largest, median and smaller TV cities in the U. S.," attended N. Y. strategy meeting Feb. 9 to discuss Plotkin Memorandum (see stories, pp. 3-6). More than 20 executives of CBS, headed by CBS Inc. pres Frank Stanton and TV pres. J. L. Van Volkenburg, participated in meeting lasting from 10 a.m. to 5 p.m. Station people attending: E. K. Jett & Wm. F. Schmick Jr., WMAR-TV, Baltimore; Thomas O'Neil, John Poor & Gordon Gray, WNAC-TV, Boston; John W. Runyon, Clyde Rembert & A. Jackson, KRLD-TV, Dallas; George Storer Sr. & John McCoy, WJBK-TV, Detroit; Bruce McConnell, WISH-TV, Indianapolis; Wm. J. McNally, WCCO-TV, Minneapolis; Richard Slocum & D. W. Thornburgh, WCAU-TV, Philadelphia; Chris J. Witting & John Steen, KPIX, San Francisco; John Hayes, WTOP-TV, Washington; John M. Rivers, WCSC-TV, Charleston, S. C.; Robert Ridder, Walter Ridder & Rodney Quick, WDSM-TV, Duluth-Superior; Dorrance Roderick & Dick Watts, KROD-TV, El Paso; Edward A. Allen & Philip P. Allen, WLVA-TV, Lynchburg, Va.; Mrs. Jean Gannett Williams & C. E. Gatchell, WGAN-TV, Portland, Me.; Humboldt Greig, WHUM-TV, Reading, Pa.; John E. Fetzer, KOLN-TV, Lincoln, Neb.; John T. Griffin & Edgar Bell, KATV, Pine Bluff-Little Rock, Ark.; Franklin D. Schurz & Neil B. Welch, WSBT-TV, South Bend; Glenn P. Warnock, WAIM-TV, Anderson, S. C.; Wm. C. Grove, KFBC-TV, Cheyenne, Wyo.; Wm. B. Smullin, KBES-TV, Medford, Ore.; Donald W. Reynolds, KZTV, Reno; John B. Johnson, WCNY-TV, Watertown, N. Y.; Charles Lemke & George Frechette, WSAU-TV, Wausau, Wis.; W. C. Blanchette, KFBB-TV, Great Falls, Mont.; Ivor Sharp, J. W. Wright, Lenox Murdoch, KID-TV, Idaho Falls; John Boler, KCJB-TV, Minot, N. D.

New communications legislation introduced in Congress: By Chairmen Magnuson (D-Wash.) and Priest (D-Tenn.) of Senate & House Commerce Committees, S-950 & HR-3461, at request of Attorney General Brownell, prohibiting transmission of gambling information in interstate commerce, but specifically exempting TV-radio and printed media from liability in transmitting reports of "sporting events or contests, which might be gambling information"; by Sen. Langer (R-N. D.), S-923, to ban beer and liquor advertising in interstate commerce; by Rep. Miller (R-Md.), HR-3789, identical to Butler-Jenner-Potter Bill S-771 (Vol. 11:5), to deny Communists and subversives political "equal time" privileges.

Competition of TV is cited by Ben Marcus, pres. of big Allied States Assn. of Motion Picture Exhibitors, as reason for declining to run for re-election. In statement at exhibitors' convention in St. Louis this week, the owner of theatres in Milwaukee area said: "The heavy penetration of new TV stations in our area during this past year has created a tremendous pressure and demand on my time."

First educational fold-up, Los Angeles' uhf KTHE turned in its CP Feb. 9—5 months after quitting air following withdrawal of support of wealthy backer G. Allen Hancock in dispute with U of Southern California over station's operation (Vol. 10:26, 32). It was second educational station to go on air.

Television Bureau of Advertising reports \$365,000 out of its \$400,000 budget for calendar 1955 has been contributed by its 125 charter members. Pres. Oliver Treyz says he expects the \$400,000 figure to be exceeded shortly by additional members.

Due for network interconnection by AT&T during Feb.: KRCG, Jefferson City, Mo., Feb. 13; WFLA-TV, Tampa, Feb. 14; WMFD-TV, Wilmington, N. C., Feb. 18.

**P**OLITICAL INTEREST in FCC procedures stepped up this week. AFL executive council, meeting in Miami Beach, voted to file with FCC and Congress a protest of what it termed the "tendency to concentrate the ownership of newspapers, radio and TV" in the hands of a few people. Action was initiated by Dade County (Miami) Central Labor Union, which is objecting to proposed decision favoring Ch. 7 grant in Miami to combination of Cox and Knight newspaper-broadcasting interests (Vol. 11:4).

On another front, Sen. Strom Thurmond (D-S. C.), member of Interstate Commerce Committee, made public letter to Chairman Magnuson in which he asked that something be done about "protest" section of Communications Act. Citing example of WSPA-TV, Spartanburg (Ch. 7), which has been prevented from going on air because of protests by WAIM-TV, Anderson (Ch. 40) and WGVL, Greenville (Ch. 23), he said Committee should reconsider law "which is enabling existing stations, and even broadcast interests, to jeopardize and hamper the work of the Commission and thereby delay needed TV service."

Commission granted 4 CPs meanwhile: Lewiston, Ida., Ch. 3, to operators of KIMA-TV, Yakima (Ch. 29) and KEPR-TV, Pasco, Wash. (Ch. 19); Hastings, Neb., Ch. 5, to Seaton Pub. Co. (Fred A. Seaton, Asst. Defense Secy.); New Bern, N. C., Ch. 13, to Nathan Frank, owner of WHNC, Henderson, N. C.; Sunbury, Pa., Ch. 38, to WKOK.

NBC's projected purchase of WKNB-TV, New Britain, Conn. (Ch. 30) ran into formal opposition this week when WNHC-TV, New Haven, petitioned Commission to set sale for hearing. Station submitted several charges, alleging that application for sale failed to disclose ade-

quate information on stockholdings of RCA-NBC officers; that "trafficking in licenses" is involved; that there will be overlap with WRCA-TV, New York; that chain regulations would be violated; that RCA has history of anti-trust violations, etc.

Commission again turned down application of Orange Belt Telecasters for Ch. 30, San Bernardino, Cal. First denied because of inadequate financial and technical qualifications, group amended application but FCC ruled that it still fell short.

Laborious efforts of defunct KFAZ, Monroe, La. (Ch. 43), which finally got Ch. 13 assigned to Monroe, ran into trouble when State Supt. of Education petitioned FCC to have the channel reserved for education.

Commission initiated rule-making on petition of WKST-TV, New Castle, Pa. (Ch. 45) which asked that Ch. 73 and Ch. 45 be switched between New Castle and Youngstown and that WKST-TV be permitted to move to Youngstown.

Another uhf switch is in prospect, WTVI, Belleville, Ill. (Ch. 54) filing this week to switch to off-air KSTM-TV's Ch. 36, proposing to move over to latter's plant, assuming equipment payments and dropping own facilities completely.

License of WBTW, Charlotte, N. C. was renewed this week, over objections of Comr. Hennock who complained that owner Jefferson Standard Life Insurance Co. has too many interests in area, through holdings in WBTW, Florence & WFMY-TV, Greensboro; that Commission should frown on Jefferson Standard's ownership of preferred stock of Storer Bestg. Co., etc.

**Telecasting Notes:** Kraft TV Theatre's superb live play *Patterns* on NBC Feb. 9, repeated just 4 weeks after smash-hit performance on same network same hour, proves that there can be good audience for repeat performances of top-hole shows. Certainly there was tremendous popular enthusiasm for the second as well as the first show, which the critics had acclaimed—*Time Magazine* stating it made the film *Executive Suite* "look like *Little Women*," as indeed it did . . . Many more such repeats can be expected henceforth to satisfy demands of audience that didn't catch originals—and the repeats, especially if they win such spontaneous critical reaction as this one did, and are given such exceptional buildups as this one was (full page ads), should enjoy even bigger audiences than the first show . . . Feature films are played over and over again on the same station or in same city—viz., *Million Dollar Movie*, shown 16 times in one week on WOR-TV—and they often get good enough ratings to please their sponsors. We recall one station manager in TV's early days who was so dead set against repeats of anything whatsoever, live or film, that he let a rival with an inferior network affiliation steal that ball away; he's no longer manager of the station, which lost money under his aegis and which now repeats aplenty . . . Warner Bros., queried direct, won't confirm or deny *Billboard's* Feb. 12 report that it's preparing to release all its 1933-44 sound pictures to TV, estimated to embrace 200 features. That would be biggest block since Monogram's 199 oldies were sold. Wires Warners' Mort Blumenstock from Hollywood: "Mr. [Jack L.] Warner has nothing to add at present time to *Billboard* story on TV" . . . Hollywood trade press, apparently also checking *Billboard* story, came up with stories, also unverified, that Warner may release 175 shorts, not features . . . It's apparent something is in the wind, and if Warner Bros. releases any of its features it might well trigger similar action by the other major producers. Only "official" news from Warner Bros. is that it's setting up new film subsidiary, to be headed by Jack M. Warner, son of production v.p. Jack L. Warner, following example of Columbia Pictures (Screen Gems). MGM is

said to have similar plans (Vol. 11:6) . . . Success of General Teleradio's syndicated *Million Dollar Movie* series, bought in Bank of America foreclosure, is one reason *Billboard* sees the exhibitors' attitude toward release of the oldies softening; that and Walt Disney's free use of his old films on ABC-TV's *Disneyland*, which has proved a tremendous boxoffice buildup for his current pictures . . . Another reason is that attendance at movies is up (average rose to 73,700,000 per week in late summer of 1954 from 34,400,000 in 3rd quarter 1953) which theatremen are citing as proof that the "TV novelty" has worn off. And there's hard fact that black-&-white oldies will lose much of their value if color TV ever catches fire . . . There's big money in re-runs, apparently, and surveys have proved they garner nearly as big audience as first (viz., *Dragnet*, reissued as *Badge 714*). Thus Screen Gems is now offering 5 separate 30-min. film packages for summer replacements—2 comprising re-runs of this season's *Ford Theatre*, 3 from this year's *Fireside Theatre* . . . Ten educational stations are now carrying Dr. Frank Baxter's first semester course on *Shakespeare on TV*, an origination of CBS Hollywood, which "discovered" the telegenic USC professor; the films are distributed free through Educational TV-Radio Center, Ann Arbor, Mich. . . . NBC buys assets of Martin Stone's Kagran Corp., including all rights to *Howdy Doody*, *Author Meets Critics*, other TV-radio properties.

Anti-trust suit against 12 major motion picture studios to compel them to release 16mm films to TV and other non-theatrical outlets (Vol. 8:34, 39), has been set for trial starting Sept. 6 in Los Angeles Federal Court. In pre-trial hearing this week, 6 theatre exhibitor organizations were named as co-conspirators: Allied States Assn., Independent Theatre Owners Assn., Metropolitan Motion Picture Theatres Assn., So. Cal. Theatre Owners Assn., Pacific Coast Council of Independent Theatre Owners, Council of Motion Picture Organizations. Theatre Owners of America had previously been named as co-conspirator at its own request.

**Station Accounts:** Average of 74 national & regional spot TV accounts was carried on each of the 232 reporting stations during fourth quarter of 1954, according to quarterly *Rorabaugh Report on Spot TV Advertising* released Jan. 25. Top markets were New York, 7 stations reporting average of 101 accounts; Chicago, 4 stations av. 124; Los Angeles, 7 av. 111; Philadelphia, 3 av. 145; San Francisco, 3 av. 156. Top 25 national spot advertisers for the quarter, in order of number of stations used for all products, are listed as Procter & Gamble, Brown & Williamson (Kool & Raleigh cigarettes), National Biscuit Co., General Motors, Colgate-Palmolive, R. J. Reynolds Tobacco Co. (Camels), General Foods, Ford Motor, Bulova Watch, Miles Laboratories (Alka-Seltzer), National Carbon Co., Block Drug, Grove Laboratories, Du Pont, Chrysler, Carter Products, Anahist, Vick Chemical, B. T. Babbitt, Peter Paul, Chesebrough, Northern Paper Mills, Maybelline Co., Borden, Folger's Coffee . . . Lewyt Corp. (vacuum cleaners) has budgeted \$2,000,000 for all-media spring campaign, starting March 15, thru Hicks & Greist, N. Y. . . Royal Crown Cola, in unusually large single-sponsorship deal, buys MCA-TV's 15-min. weekly *Ames Brothers Show* in Class A time on 195 stations starting April 1, for 26 weeks, thru BBDO . . . Ohio Oil Co., concluding 26-week sponsorship of Official Films' *Secret File U.S.A.*, buys Prockter's *Man Behind the Badge* in 12 midwest markets . . . Mennen Co. to be alt. week sponsor (with El Producto Cigars) of *Professional Boxing* on WABD, N. Y. for 13 weeks starting Feb. 21, Mon. 9-11 p.m., thru McCann-Erickson . . . Iberian Airlines of Spain signs for 13 weeks as full sponsor of *Operation Success* on WRCA-TV, N. Y., starting Feb. 2, Sat. 5:30-6 p.m.; with narration by Quentin Reynolds, program depicts growth of American business and its executives . . . Max Factor (cosmetics) plans \$1,500,000 TV spot campaign in 53 cities, thru Doyle Dane Bernbach, N. Y. . . Toy Guidance Council plans big 1955 TV-radio campaign somewhat in excess of the \$500,000 spent last year, will make series of 15-min. films, thru Friend-Reiss-McGlone, N. Y. . . Nestle Co., pushing its "all-climate" Instant coffee, emphasizing it's soluble in cold as well as hot water, lines up west coast spot campaign as testing ground, thru Bryan Houston Inc., N. Y. . . Norwegian Cannery Assn. adds 8 major markets to its all-media campaign for 1955, thru McCann-Erickson, N. Y. . . American Chiclet Co. introducing new product, Rolaides, with spot campaign in several major markets for 26 weeks starting March 7, thru Ted Bates & Co. . . Among other advertisers currently reported using or preparing to use TV: Bymart-Tintair Inc., N. Y. (Lanair creme color hair dressing), thru Kastor, Farrell, Chesley & Clifford, N. Y.; Brown & Haley, Tacoma, Wash. (Mountain Bar candy), thru Honig-Cooper Co., Seattle; A. J. Canfield Co., Chicago (carbonated beverages), thru Wesley Aves & Assoc., Chicago; Ironite Inc., Mt. Clemens, Mich. (ironers), thru Brooke, Smith, French & Dorrance, Detroit; Morton Packing Co., Louisville (frozen beef pot pie), thru Ted Bates, N. Y.; Karl Seiler & Sons, Philadelphia (Gooseneck liverwurst), thru Lavenson Bureau of Adv., Philadelphia; Harriet Andre Inc., N. Y. (Tress Kit hair conditioner), thru Product Services, N. Y.; Durham-Enders Razor Corp., Mystic, Conn. (safety razors), thru Fletcher D. Richards, N. Y.; Aluminum Cooking Utensil Co., New Kensington, Pa. (Wear-Ever aluminum foil), thru Fuller & Smith & Ross, N. Y.

Sponsor Magazine has issued new *Television Dictionary-Handbook for Sponsors*, compiled by Herbert True of Notre Dame English and adv. dept., with aid of 37 contributors; 50-p. booklet defines 2200 trade terms, costs \$2.

Broadcast Information Bureau, 535 Fifth Ave., N. Y., has published new edition of its *Directory of "Free" TV Film*, listing 700 new titles of public relations films available to TV stations.

**Network Accounts:** Shared sponsorships on top-flight shows will be intensified this fall on NBC-TV, which is planning to break up several of its big-name programs into segments of 15-min. or less as answer to advertisers' complaints of soaring costs. Though final decision hasn't been reached, plans are to start by offering 8-9 p.m. time period on Sun., Mon. & Tue. for multiple sponsorship. Mon. is filled by *Caesar's Hour*, Tue. by Milton Berle & Martha Raye, Sun. by a new comedy show to replace *Colgate Comedy Hour*. Known as "Criss-Cross Plan," it will permit sponsor to be represented on all 3 shows on rotating basis, if he wishes . . . ABC-TV says it expects to gross \$13,000,000 in time-&-talent for 52-week run of Disney's new *Mickey Mouse Club* starting in fall, signing Colgate & Borden's for 15-min. segments this week; Campbell's Soup & General Mills have already bought quarter-hours . . . H. J. Heinz Co. to sponsor filmed *Captain Gallant of the Foreign Legion* on NBC-TV starting Feb. 13, Sun. 5:30-6 p.m., thru Maxon Inc. . . Admiral buys alt. sponsorship (with Sheaffer Pens) of *Who Said That?* on ABC-TV, Wed. 9:30-10 p.m., thru Russel M. Seeds Adv., Chicago . . . Jackie Gleason, who recently signed \$11,000,000 2-year sponsorship contract with Buick starting in fall (Vol. 10:52), this week lost a sponsor—Sheaffer Pen Co., which decided that since it couldn't have Gleason next fall, it wasn't worth the money to continue after March 26 as one of his 4 sponsors . . . National Biscuit Co. & International Harvester to cancel *Halls of Ivy* on CBS-TV Tue. 8:30-9 p.m. at end of current season . . . General Mills & Ovaltine switch *Captain Midnight* on CBS-TV to Sat. 11:30 a.m.-noon starting March 5, replacing filmed *Abbott & Costello*, which was dropped by Campbell Soups . . . Green Giant Peas & Pillsbury drop Mickey Rooney film, *Hey Mulligan!* on NBC-TV Sat. 8-8:30 p.m. . . GE drops Wed. 8-8:30 time period on NBC-TV, occupied by *I Married Joan*, following star Joan Davis' temporary retirement from TV because of health.

New frequency discount plan, whereby an advertiser who buys fourteen 10 or 20-sec. station breaks during Sun.-thru-Sat. week receives 50% discount on those breaks in Class D or C time, was launched Feb. 13 by WRCA-TV, NBC's N. Y. flagship. Titled "14-50 Plan," discount arrangement applies to station breaks before 5:59 p.m. and after 11:15 p.m., including *Tonight* series, and on one-min. partic. in designated programs. "If 10 or 20-second station breaks in AA, A or B time are part of the 14, all breaks contribute," station announced, "but the A or B only receive those discounts earned. The 14-50 Plan provides, however, that if the advertiser employs at least one 10 or 20-second on a 7-day basis in D and/or C time, the advertiser earns an additional 10% discount on those 10's or 20's he may be running in A or B time." Partic. programs also included in plan are: *Big Matinee* (Mon.-thru-Fri. 2-2:30 p.m.); *Sunday Theatre* (Sun. 9-10 a.m.); *Channel 4 Theatre* (Sat. 1-2 p.m.); *Charity Bailey* (Sun. 10-10:30 a.m.); *Junior Champions* (Sat. 5-5:30 p.m.)

Broadcasting & Film Commission of the National Council of the Churches of Christ in U.S.A. meets March 1 to approve 1955 TV-radio budget of \$1,400,000. The Commission's *This Is the Life* is currently on 235 TV stations as sustainer, according to Rev. Dr. S. Franklin Mack of N. Y., exec. director. On Oct. 1 a new filmed series of interviews with outstanding Christian spokesmen will be launched. In addition, it plans to expand TV-radio workshops and will urge appearances of more ministers on TV. Commented Dr. Mack: "It can be said with confidence that any pastor appearing once on a local TV station can be assured of an initial audience in excess of the aggregate audience in the pews of his church in a year's time."

Robert W. Sarnoff, NBC exec. v.p., named chairman of 1955 fund drive of National Multiple Sclerosis Society.

**B**IBLE SCHOOL owners of projected new WCBC-TV, Anderson, Ind. (Ch. 61), won't accept beer or cigarette advertising and will carry no programs "which place undue emphasis on violence, crime or sex." Grantee is Great Commission Schools, owned by denomination known as Church of God and operating Anderson College & Theological Seminary. It's the third station owned by a religious institution to be projected as a commercial outlet, others being Norbertine Fathers' WBAY-TV, Green Bay, Wis. (Ch. 8), and Notre Dame's upcoming WDNV-TV, South Bend, Ind. (Ch. 46).

WCBC-TV has RCA 1-kw transmitter and studio equipment bought from John L. Booth's now defunct WBKZ-TV, Battle Creek, Mich. (Ch. 64), and is shooting for May 1 target. Anderson, pop. about 50,000, is 7-mi. from Muncie, where WLBC-TV operates on Ch. 49, and 32-mi. from Indianapolis, with 2 vhf. Local high school gym will first be used for originations, but plans are under way for 20 x 40-ft. studio. Worth S. Rough, from radio WCBC, will be gen. mgr.; Fred M. Mullen, ex-WAVE-TV & WFBM-TV, program director. Rep has not yet been chosen.

GE reports order for 50-kw amplifier from upcoming WPRO-TV, Providence (Ch. 12), and shipment of 1-bay helical antenna to WOKY-TV, Milwaukee (Ch. 19), which becomes WXIX Feb. 27 when CBS takes it over. DuMont shipped 50-kw amplifier Feb. 9 to WLVA-TV, Lynchburg, Va. (Ch. 13). RCA shipped 25-kw amplifier Feb. 9 to WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11).

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

KTRE-TV, Lufkin, Tex. (Ch. 9), planning to operate as satellite of KPRC-TV, Houston, doesn't expect to begin tests until next Aug., with programming Sept. 1, according to pres. R. W. Wortham Jr. It hasn't ordered equipment yet, plans to file with FCC for new and higher site and increased power. Base rate will be \$150. Rep will be Venard, Rintoul & McConnell.

KWTX-TV, Waco, Tex. (Ch. 10), granted last Dec., plans March 20 test patterns, April 1 programming, according to mgr. M. N. Bostick. It will use 461-ft. Andrews tower, has ordered RCA equipment for new studio-transmitter building, which is scheduled to be ready by March 1. It will be city's second outlet, KANG-TV (Ch. 34) having begun in Oct. 1953. Base rate will be \$200. Rep not yet chosen.

Oklahoma Educational TV Authority, grantee of educational stations KETA, Oklahoma City (Ch. 13) and KOED-TV, Tulsa (Ch. 11) has funds available for 10-kw transmitters, writes director John W. Dunn, in charge of U of Okla. radio KNAD, Norman. But it's contemplating 50-kw for KETA, 25-kw for KOED-TV, consequently is "holding off" target dates, he adds. KETA already has 14-section RCA antenna on commercial KWTV's 1572-ft. tower; KOED-TV has an identical antenna for installation on KOTV tower, which it will lease along with studio space for \$1 a year. Construction will be financed by bond issues; operating funds must come from legislature.

President's televised press conferences, while a highly desirable development, need better facilities to take full advantage of TV cameras, in opinion of *New York Times*' veteran political writer James B. (Scotty) Reston. He writes that "facilities for putting on the weekly show are something right out of the McKinley Administration." The old State Dept. treaty room, where the conferences are held, is "beyond question, the most ornate antiquity" in Washington, lighting is poor, cameras are stuck on improvised platform in back of room and all the "visible electronic paraphernalia detracts from the business at hand."

National Community TV Assn. has established 12-man standards and practices committee to set up code covering community antenna operations — an effort designed to meet scattered complaints from subscribers and to show state utilities commissions industry can be self-regulating. Last year, Wyoming commission took over regulation; currently, Vermont & Maryland commissions are investigating reports of irresponsible operations. Chairman of committee is attorney George Barco, operator of system in Meadville, Pa. Other members: Charles E. Brown, Richland, Wash.; Ned W. Cogswell, Oil City, Pa.; Wm. Daniels, Casper, Wyo.; Raymond Hedge, Tyler, Tex.; A. J. Malin, Laconia, N. H.; Paul McAdam, Livingston, Mont.; Fred J. Stevenson, Fayetteville, Ark.; W. R. Tucker, Florence, Ala. Manufacturer members: H. M. Diambra, Entron; Milton J. Shapp, Jerrold; Fitzroy Kennedy, Spencer-Kennedy. Advisers: Glen McDaniel, RETMA pres. and counsel for Fox, Wells & Co., operators of several systems; E. Stratford Smith, NCTA exec. secy. & counsel.

Among out-of-town station executives attending dinner of Radio & Television Correspondents Assn. for President Eisenhower in Washington Feb. 5: Spencer Allen & Bruce MacFarlane, WGN-TV, Chicago; Fred Allman, WWSA-TV, Harrisonburg, Va.; Hoyt Andres, KSWO-TV, Lawton, Okla.; James Bormann & Larry Haeg, WCCO-TV, Minneapolis; J. E. Campeau, CKLW-TV, Windsor, Ont.; Charles Crutchfield & Jack Knell, WBTB, Charlotte; Tom Eaton, WTIC, Hartford; Robert C. Embry, WITH, Baltimore; Robert Dunville, Terry Flynn & Peter Grant, WLWT, Cincinnati; Michael Goode, WNHC-TV, New Haven; E. K. Hartenbower, KCMO-TV, Kansas City; Payson Hall, Meredith stations; Otto Brandt & Florence C. Hoff, KING-TV, Seattle; Clair McCollough, WGAL-TV, Lancaster, Pa.; George B. Storer, WGBS-TV, Miami; Russ Van Dyke, Des Moines; Seymour Siegel, WNYC, N. Y. Besides cabinet officers, FCC members and other Washington brass, the networks had large delegations—ABC's led by Edward Noble, Leonard Goldenson & Robert Kintner; CBS's by Frank Stanton & Jack Van Volkenburg; DuMont's by Keeton Arnett; MBS's by Tom O'Neil; NBC's by Pat Weaver & Robert Sarnoff.

Lower-cost microwave TV service, based on off-air pickups (Vol. 10:51), is being pursued actively by AT&T, whose officials met with FCC staff recently to give general outline. AT&T has been lambasted by hinterlands TV stations who claim that they don't need AT&T's "gold-plated" service and that they can provide own microwave links at far lower cost. AT&T officials didn't indicate what new service would cost or when it would start. That it would be substantially less, however, is clear from fact that off-air service would eliminate station connection charges and local loops. Connection charges alone run \$500 monthly for monochrome, \$450 extra for color.

Conversion kit for air-cooled operation of RCA TT5A water-cooled TV transmitters was announced this week by Standard Electronics Corp., Newark, which claims these advantages for air-cooled operation: tube changing in minutes, simple cooling, improved accessibility of parts, easy maintenance, lower tube costs based on long-life tubes replaceable at \$275 each, possibility of expanding to higher power supply by adding air-cooled Standard amplifier stages, elimination of difficulties due to leakage, sedimentation, etc. Cost of conversion is \$10,500, including engineering service, materials, tubes, transportation, living expenses, etc.

Jake (Greasy Thumb) Guzik, member of old Capone gang, has asked FCC to revoke license of WBKB, Chicago, stating that it was preparing to telecast a libelous biography of him. It's expected Commission will reply that it's forbidden to censor programs.

**ARMS CONTRACT SQUEEZE HITS TV MAKERS:** An alarming situation -- for which no real remedy is in sight -- is rapidly developing in military aviation electronics. It has already affected some old-line electronics manufacturers, and it seems certain that TV-radio manufacturers will be among the hardest hit.

Though there's been no slowdown in military electronics procurement, many small and marginal companies -- as well as larger firms specializing in TV-radio, particularly those in east & midwest -- are finding Air Force contracts and subcontracts harder to get. And there's ample evidence that this is only the beginning.

The reason: Aircraft manufacturers are going into electronics in a big way, encouraged by Air Force procurement policies. First definitive survey in this field, made by McGraw-Hill's authoritative Aviation Week, shows that one out of every 5 engineers now employed by aircraft manufacturers is in electronics -- and that the aircraft manufacturers are planning to double their electronics engineering staffs within next 5 years (for further facts & figures, see Electronics Reports, p. 15).

Emphasis in Air Force procurement is now shifting to guided missiles. Dollar-wise, as much as 75% of a guided missile contract may go for electronics. And the airframe manufacturers are anxious to get bigger share of these contracts. At the same time they're tooling up to produce more of the electronics gear required in conventional piloted military planes. This equipment is being developed in big new laboratories, some of them built with govt. money.

Air Force procurement policies for the guided missile age are helping aircraft companies achieve their goal of getting electronics as well as airframe procurement and research dollars. Principal of these new policies is the "weapons system" concept, which gives one manufacturer full responsibility for design & integration -- and more responsibility for procurement -- of all components going into such military aircraft end-items as guided missiles.

Because Air Force is more inclined to deal with aircraft manufacturers, they generally get weapons-system contracts. The aircraft makers thus have inside track on electronic items going into the end products, through their control over specifications and general design.

Only 4 weapons-system contracts, to our knowledge, have thus far gone to companies identifiable as essentially electronics manufacturers -- to Western Electric (for the first "Nike" order), to Hughes Aircraft (which now considers itself an electronics rather than airframe manufacturer) and to Raytheon and Philco. The remainder have been awarded to companies in the business of building airframes.

RETMA has not yet established a policy on the problem. Its electronics industry committee is studying and reviewing whole question.

**UHF EXCISE TAX EXEMPTION UP AGAIN:** You've heard a lot about the "Plotkin Memorandum" (p. 3) -- may have assumed it relates only to the business of broadcasting. But it has some important implications for the manufacturing-distribution field, too, which undoubtedly will be aired further in future Senatorial hearings.

Plotkin revives the excise tax proposal which was unsuccessfully espoused in the last Congress by then Sen. (now Colo. Gov.) Edwin Johnson, backed whole-heartedly by Sen. Potter's communications subcommittee and Sen Bricker's Commerce Committee, emasculated by Finance Committee, and finally killed by Congressional inaction. In his provocative 44-p. report now being attacked bitterly by the networks, Plotkin outlines 2 possible exemption proposals, indicates preference for method No. 2:

"If the idea of tax relief is acceptable, the question remains as to what form it should take. One form is to grant an exemption for all-channel receivers only. Another method is to grant relief only if the manufacturer undertakes to market in the United States all-channel TV receivers only."

Proposal received only lukewarm industry support when last proposed -- due in part to squabbles over definition of "all channel receiver." Most controversial part of Plotkin's excise tax proposal is this recommendation:

"It is entirely too easy for a manufacturer to label a receiver as an all-channel set but that is no assurance that it will work in the home. It is therefore imperative that some certificate from a govt. agency should be required certifying that the all-channel set in question is in fact capable of receiving all TV channels under normal home viewing conditions. Only such a procedure would guarantee that the receiver being offered for sale would in fact contribute to the building of uhf as well as vhf circulation."

Manufacturer would be able to sell vhf-uhf set as cheaply or even cheaper than vhf-only set under terms of both Plotkin proposals & Sen. Johnson's bill. Senate Finance Committee, at end of last session, eliminated tax exemption, substituted a \$7 tax credit for sets equipped for uhf. This is measure which died with Congress.

The \$7 tax exemption has been proposed again in new excise tax bill introduced this session by House Majority Leader McCormack (D-Mass.) as HR-1814. Because the bill contains other excise tax provisions being pushed by special interest groups, it may get relatively prompt consideration. So Congress may be faced with voting on uhf excise tax relief before Magnuson Committee even gets around to discussing it.

Just 1,383,486 uhf-equipped sets were produced during 1954, or 19% of total TV production of 7,346,715, down slightly from the 1953 output of 1,459,475, which was 20% of that year's total of 7,214,784. These figures do not include strips, external converters, or internal conversions made outside the factory. Thus at least twice that number -- probably more than 6,000,000 sets which can receive uhf -- are now in use in the United States.

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TV production totaled 171,624 week ended Feb. 4, up from 154,421 preceding week and 150,985 in week ended Jan. 21. It was year's 5th week and brought output for year to date to about 835,000, compared to 530,000 in similar period of 1954.

Radio production totaled 264,693 (151,449 auto), compared to 226,054 in week ended Jan. 28 and 262,949 week before. It brought 5-week radio output to 1,270,000, compared to 1,100,000 in corresponding period year ago.

Retail TV sales of 7,317,034 in 1954 set all-time annual record, RETMA report this week confirmed, exceeding the 6,370,571 TVs sold in 1953. In fact, retail sales almost equalled the 7,346,715 sets produced last year. TV production in 1953 totaled 7,215,827. Retail radio sales in 1954 totaled 6,430,743, excluding auto radios. The latter are not included in RETMA data, as most are sold directly to auto producers. Production of auto radios was 4,100,000 -- and nearly all are estimated unofficially to have been sold. In 1953, some 7,031,293 radios (excluding auto sets) were sold.

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**Trade Personals:** Leonard F. Cramer resigns as Avco v.p. & gen. mgr. of Crosley TV-radio div., which henceforth will be more closely integrated with home appliances div. under exec. v.p. Parker H. Ericksen . . . Goddard Lieberson, executive v.p., Columbia Records, named head of Yale advisory committee to help build up university's collection on the American musical theatre; on his committee are Cole Porter, Noel Coward, Ira Gershwin, Richard Rodgers, Oscar Hammerstein II and other musical notables . . . Dr. Rudolf G. E. Hutter, physical electronics mgr. of Sylvania lab at Bayside, N. Y., promoted to lab mgr. . . . Adam Abel upped to Bendix Radio director of engineering & research, succeeding Arthur C. Omberg, now asst. to gen. mgr. of missile section . . . A. D. Adams re-elected to 4th term as exec. secy. of Phonograph Manufacturers Assn., N. Y. . . . H. B. Seabrook named commercial sales mgr., RCA Victor Co. Ltd., Montreal, succeeded as engineering div. mgr. by J. G. Sutherland . . . Don L. Davison named Hallicrafters Cleveland district sales mgr.; James H. Baine Jr., Memphis; M. L. Judd, Allen Park, Mich. . . . Ralph D. Atkinson, ex-Washington, D. C., named Stromberg-Carlson northwest district merchandiser, Seat-

tle . . . Joseph H. Gibbs promoted to asst. sales mgr., Blonder-Tongue Labs, reporting to sales mgr. Joseph H. Kerner . . . Harold Brown and S. Joseph Mansker named DuMont Miami district mgrs.

Rear Adm. Wm. B. Ammon Feb. 28 completes tour of duty as director of naval communications, becoming commander of battleship div. 2, Atlantic Fleet. Rear Adm. Henry C. Bruton, now deputy chief of naval operations (administration) takes over Ammon's post early in March, with asst. director Capt. Gordon L. Caswell taking over post between time of Ammon's departure and Bruton's assumption of new duties.

William E. Robinson, member of RCA board of directors, onetime publisher of *N. Y. Herald Tribune* who left to become chairman of Robinson-Hannagan Assoc., public relations firm founded by the late Steve Hannagan, has been elected president of Coca-Cola Co., succeeding H. B. Nicholson, now chairman.

Hugo Cohn, exec. v.p., elected pres. of Radio Receptor Co., succeeding Ludwig Arnson, who continues as a director and consultant. Harold R. Zeamans elected secy.-treas.

**Topics & Trends of TV Trade:** Record industry leaders this week reviewed results of their widespread price reductions up to 40% at start of year (Vol. 11:1)—and only RCA Victor, which was first to cut prices, expressed complete satisfaction. Emanuel Sacks, v.p. & gen. mgr. of RCA Victor record div., said retail unit sales of its classical long-playing records in month ended Feb. 3 increased 100% over corresponding period of 1954 while dollar volume increased 32%. He also announced that the price cuts would be guaranteed by RCA through July 31.

Other companies do not share Victor's enthusiasm. In Feb. 6 *New York Times*, business writer Alfred R. Zipser Jr. quotes Columbia Records pres. James B. Conkling as stating that unit sales increased 10-15% over Jan. 1954, but that dollar volume remained about same. He said dealers had expressed disappointment about profit margins. W. H. Fowler, sales v.p. of Capitol Records, said: "There have been very few indications to date that our price cuts have resulted in any sizable increases in sales to consumers." Decca Records spokesman had similar comment.

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Picture tube sales in 1954 set new record of 9,913,504, valued at \$209,182,344, compared to 9,839,138 worth \$234,861,041 sold in 1953, reports RETMA. Dec. sales were 1,009,398, valued at \$20,521,562, compared to 1,157,866 worth \$27,140,693 in Nov. & 644,287 at \$14,801,856 in Dec. 1953. Receiving tube sales in 1954 totaled 385,089,458, valued at \$275,998,903, compared to \$437,091,555 at \$303,675,313 in 1953. Dec. sales were 37,908,894 worth \$27,391,916 vs. 38,781,863 at \$27,618,868 in Nov. & 23,404,026 at \$17,832,387 in Dec. 1953. [Note: Tabulation of picture and receiving tube sales, 1947-54, with breakdowns by initial equipment, renewal, export govt. & factory value, is included in our newly issued spring *TV Factbook No. 20.*]

Discount houses are here to stay, and "legitimate" retailers might as well recognize the fact and stop fighting them, in opinion of noted economist Vergil D. Reed, J. Walter Thompson Co. research v.p., member of Market Research Council & ex-pres. of American Marketing Assn. Addressing National Assn. of Wholesalers in Washington, he said: "You should spend your time better shoveling smoke or trying to contain gas in a rubber band than in fighting the discount house and in fighting for price fixing under the misleading headline of 'fair trade.'" He said fair trade laws are unenforceable in a buyer's market.

Philco was granted extension this week until March 2 to file its answer in Philadelphia Federal Court to recent Justice Dept. anti-trust complaint charging company's distributor franchise agreements are illegally restrictive (Vol. 10:51). Reply was originally due Feb. 14.

Kaye-Halbert's suit against Caltech Electronics Corp., charging secret information on 100% printed circuit chassis had been pirated by several ex-Kaye-Halbert employes now with Caltech (Vol. 10:25,29), was dismissed this week at plaintiff's request.

National Video Corp. is now fully relocated at new headquarters, 4300 W. 47th St., Chicago, with factory capacity of 4000 picture tubes a day, reports gen. mgr. Don C. Stixrood.

Trav-Ler Radio Corp., to pay off existing bank loans, is reported planning a \$1,500,000 bond issue (6%) in March through Straus, Blosser & McDowell, Chicago.



Feb. 14 week network color schedules: NBC-TV—Feb. 16, *Norby*, 7-7:30 p.m. CBS-TV—Feb. 17, *Shower of Stars*, 8:30-9:30 p.m. On Feb. 23, Kraft TV Theatre will present *Emperor Jones* in color, first time a sponsor has put one of its regular shows in color since NBC ended its "introductory year" wherein each sponsor had at least one of his regular shows in color.

**DISTRIBUTOR NOTES:** Hoffman Electronics purchases its Fresno distributor, Kinney & Faust, will establish it as factory branch; E. Edward Faust remains as gen. mgr., Wendell H. & Roland T. Kinney retiring from business . . . Olympic Radio: Midwest Radio & Supply Co., Terre Haute . . . DuMont: Graybar, 850 W. Jackson Blvd., Chicago (Wm. E. Guy, district mgr.), replacing own factory branch; Graybar formerly handled Hoffman . . . Kaye-Halbert reopens factory branch at 3885 Pacific Coast Blvd., San Diego (Wm. Tremlein, district mgr.) . . . Gross Distributors Inc., N. Y. (Stromberg-Carlson) appoints George F. Barth, ex-Olympic Radio, as adv. & sales promotion mgr. . . . Motorola Sales Ltd., Montreal, promotes James M. Kind to branch mgr. . . . Joe Thiele Inc., San Antonio (Zenith) appoints Addison J. Marts sales mgr., Elmo Bohmann service & parts mgr. . . . Graybar transfers E. R. Yonkers from Detroit to Cleveland district mgr.

Indiana Steel Products Co. calls special meeting of stockholders Feb. 15 on proposal to increase authorized common shares from 200,000 (\$1 par) to 500,000 and to grant option for stock purchases to key executives & employes. Proxy notice reveals company has "under consideration" plan to split 143,149 outstanding common shares 2-for-1 but has reached "no definite conclusion." Stock option plan gives board of directors right to select executives & personnel eligible to buy up to aggregate of 14,000 shares at 100% of fair market value of stock on date option is granted. Notice reveals these remunerations to officers in 1954: pres. Robert F. Smith, \$45,333; v.p. John H. Bouwmeester, \$34,666; v.p. Charles A. Maynard, \$32,666.

Sears, Roebuck & Co., part owners of receiver manufacturers Warwick Mfg. Corp., Chicago, & Pacific Mercury TV Mfg. Corp., Sepulveda, Cal., has acquired control of Electronica Mexicana, Mexico City, for production of TVs, radios & cabinets. It's currently constructing factory comprising 2 buildings of approximately 25,000-sq. ft. each, expects to be in full production by June. About 150 will be employed. Edward S. Donnell is pres. of Sears' Mexican subsidiary, which operates 8 stores and is building 2 more.

FCC's new type-approval and type-acceptance rules, covering non-broadcast transmitters (Vol. 11:6), won't go into effect until May 16, Commission ruled this week, acting on petitions of RETMA, GE, DuMont & Collins. FCC said it would give industry time to form committee, including Commission personnel, with goal of improving rules. But it turned down industry's requests for additional time to standardize measurement techniques.

RETMA's midwinter industry conference Feb. 14-17 at New York's Roosevelt Hotel will consider report by pres. Glen McDaniel on organization's strategy in urging Congress to halve 10% excise tax on black-&-white sets and eliminate it on color (Vol. 11:4). All committees meet first 2 days, with board meeting final day.

RCA Victor's line of portable radios, priced from \$25 to \$50, features new "Impac" plastic cases in 5 of the 7 new models, guaranteed for 5 years against breakage. James M. Toney, gen. mgr. of RCA Victor Radio & "Victrola" Div., said "market surveys indicate that the industry will sell 1,500,000 portables this year."

Bill striking at discount houses (HR-567), under which manufacturers would be required to make same terms for quantity discounts known and available to all their customers, has been introduced by Rep. Patman (D-Tex.) and referred to House Judiciary Committee.

DeWald Radio introduces 7 new TV models, ranging from 21-in. mahogany table at \$190 to 24-in. open-face blonde console at \$395.

Trav-Ler Radio introduces 24-in. mahogany veneer table model at \$200.

**Electronics Reports:** How deeply the aircraft manufacturers are getting into electronics—and how much further they intend to go—is shown in these startling figures from a recent survey by *Aviation Week* (see p. 12):

Some 20% of all engineers employed by aviation companies are in electronics. Whereas in 1939 there were but 200 electronics engineers in the entire airframe industry, today there are more than 6200, and the top aircraft manufacturers estimate there may be more than 11,000 within 5 years. About 55% of aircraft industry's electronics engineers are working on guided missiles, 43% on piloted aircraft, remaining 2% on miscellaneous jobs.

Clue to aircraft industry's electronics plans is this breakdown of duties of that industry's electronics engineers: Of those working on piloted aircraft, 20% are assigned to developing equipment in their own labs, 13% supervising outside vendor developments, 47% in installation engineering, 15% in flight test & instrumentation, 5% in miscellaneous jobs. In guided missiles, 45% are developing equipment in own labs, 14% supervising outside vendor developments, 20% in installation engineering, 19% flight test & instrumentation, 2% miscellaneous.

Aircraft industry's big push into electronics production hasn't even started yet. But fact that more than 2000 airframe industry electronics engineers are assigned to "in-house" research & development is strong indication aircraft industry is making big effort to produce items now supplied by established outside electronics companies. There are even indications that some aircraft manufacturers may even be preparing to move into non-military and non-aircraft electronics fields.

Path is not entirely clear for aircraft industry's headlong plunge into electronics. For one thing, comparatively few of the industry's electronics items have reached full-production stage—and electronics industry is quick to point out that airframe manufacturers lack the production know-how built up over many years by old-line electronics firms. Too, Air Force weapons-system contracts contain clause intended to prohibit govt. financing of new production facilities for weapons-system contractors. Its effectiveness is open to dispute.

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Daystrom Inc., Elizabeth, N. J., already deeply in electronics through its Daystrom Electric Corp. (Crestwood tape recorders) and its control of Weston Electrical Instrument Corp., recently completed purchase of Heath Co., Benton Harbor, Mich., maker of Heathkit do-it-yourself electronic instrument, radio and amplifier kits. Latter company was acquired for undisclosed price from Helen C. Anthony, widow of late pres. Howard Anthony. Daystrom is subsidiary of American Type Founders Inc.

Elgin National Watch Co., which recently purchased Neomatic Inc., Los Angeles (subminiature relays), this week announced purchase of American Microphone Co., Pasadena, owned by F. A. Yarbrough and maker of microphones, phono pickups, cartridges, etc. At Neomatic Inc., it has named Edward C. Carlson as sales mgr. for electronics components.

International Resistance Co., which purchased Circuit Instruments Inc. last Oct., announces that its wholly-owned Fla. subsidiary, Van Dyke Instruments Inc., will now be known as Circuit Instruments Inc. Officers of St. Petersburg firm: Irwin W. Braun, pres.; Jesse Marsten, v.p.; Edward A. Stevens, secy.-treas.

American Electronics, Los Angeles, manufacturer of miniature high-frequency drive motors, power supply units and blowers, has merged with Berlant Associates, Los Angeles (tape recording equipment). Bert Berlant continues as pres.-gen. mgr. of new Berlant Instruments, subsidiary of American Electronics.

**SPREAD OF AUTOMATIC** production techniques in TV-radio-electronics plants and implications for labor drew increasingly restive reaction from unions this week—particularly IUE and its parent CIO, which would be most directly affected. There were these developments:

(1) CIO pres. Walter Reuther, testifying before Joint Congressional Committee on the Economic Report, urged Congressional investigation of "social and economic" implications of automation. He accused Eisenhower Administration of complacency over unemployment and failure to analyze consequences of automation.

(2) IUE pres. James B. Carey, declaring guaranteed annual wage is even more necessary now because of automation, told meeting of his union's 30-man exec. committee: "The examples of automation that have come to light show that this is not merely another improvement in efficiency. It is an entirely new concept in which the machine tender is almost completely eliminated."

(3) IUE called conference of 70 locals in Ft. Wayne's Van Orman Hotel March 4-6 to assess automation developments and plot strategy for upcoming wage negotiations in that light. A union subcommittee has been studying automation problem and is expected to report that while it does not wish to stop progress, it believes automation is a direct threat to employment.

U. S. Steel chairman Benjamin Fairless, in address Feb. 11 at Johnstown, Pa., hit back at labor's contentions, citing recent examples where mechanization has increased employment. Despite widespread installation of dial telephones, he said, number of telephone operators increased 79% between 1940 & 1950. In accountancy field, number of accountants increased 71% in same period despite development of automatic business machines and new "electronic brains." In automotive industry, where mechanization has grown tremendously, number of employees has doubled in last 14 years.

Contracts for \$175,000,000 in foreign-made military electronic equipment have been awarded by U. S. from 1952-54, reports Feb. *Electronics Magazine*, which notes that only one-fifth of the equipment had been delivered in fall of 1954 and that 75% of offshore procurement funds went for Mutual Defense Aid Program for use by allies. European procurement boxscore (through June 30, 1954) shows France in No. 1 position with \$58,300,000 in U. S. military electronic orders, United Kingdom with \$54,300,000, Italy \$21,800,000, Germany \$9,800,000, Belgium-Luxembourg \$8,900,000, Netherlands \$3,400,000, Japan \$1,900,000, Yugoslavia \$200,000.

More diversification into electronics: Mack Trucks Inc. acquires White Industries Inc. and Radio Sonic Corp., N. Y. manufacturers of electronic items for aviation, industrial & military applications; it will operate them as division, with ex-pres. Robert G. Kramer of White and ex-pres. Emerson Pray of Sonic in key executive positions.

New London Instrument Co., New London, Conn., has acquired Atlantic Transformer Corp. and American Eastern Electronics Corp., which it will operate as divisions.

"Automation Dictionary" for laymen published this week by Brown Instruments div. of Minneapolis-Honeywell Regulator Co., Philadelphia.

Charles J. Pannill, 75, ex-pres. of Radiomarine Corp. of America and of RCA Institutes, who retired in 1947 and has been invalided the last few years, died Feb. 8 in N. Y. Associated with the pioneer inventor Reginald Fessenden, he tapped out the first radio message sent across the Atlantic in 1906, later was with the old Marconi company which merged with RCA. During World War I, he was asst. director of naval communications.

**A SILVER-HAIRED BOMBSHELL** threw the Edward Lamb hearing into utter confusion this week as testimony resumed after a recess of nearly 3 months. She was Mrs. Marie Natvig, 50-year-old Miami grandmother, who had previously testified for FCC against Lamb, and who this week was put on stand by Lamb attorneys.

In 3 days of hearings, she proceeded to deny virtually every bit of testimony she had given previously—and to charge that FCC attorneys had “coerced” her into making false statements. Her accusations were directed mainly at former Broadcast Bureau attorney Walter Powell, who she said “threatened” her with perjury prosecution and told her it was against the law to talk to Lamb’s attorneys.

Powell, who left Broadcast Bureau to join legal staff of NARTB, is confined to his home as result of coronary occlusion suffered Feb. 3. He branded Mrs. Natvig’s testimony as “obviously the boldest kind of falsification.” Joseph Kittner, asst. chief of Broadcast Bureau, now top FCC counsel on case, jumped to Powell’s defense, called him “one of the finest people who ever worked for the Govt.”

Mrs. Natvig said she voluntarily called on former Attorney General J. Howard McGrath, Lamb’s business partner and attorney, at his Palm Beach home and told him she wanted to retract her previous testimony. Under questioning by Lamb counsel Russell M. Brown and by Kittner this week, she denied that she had ever been a Communist and that she ever had any indication that Lamb was in sympathy with Communist objectives. She accused FCC attorneys of telling her what to say on the witness stand.

During Mrs. Natvig’s first testimony last fall Brown had called her an “out-and-out lunatic,” and he offered Feb. 11 to stipulate that her entire testimony had been false from the time she took the stand last Oct. But Kittner refused to enter into such an agreement, saying he is interested in the circumstances under which she changed her testimony. She will return to witness stand Feb. 14.

A second govt. witness brought back Feb. 11 for cross-examination, Clark Wideman, Columbus real estate man, said under questioning by Brown that before he testified previously FCC attorneys gave him list of questions and answers and he corrected them to make them “as accurate and true as possible.” He said Lamb “emphatically and positively denied” he was a Communist when he asked him about it in 1934, and that he investigated Lamb in 1948 while a reporter for *Columbus Citizen* and found no evidence Lamb was engaged in Communist activities. He said he told this to Broadcast Bureau attorneys, but they said he should testify anyway. Two other previous govt. witnesses—Wm. Cummings and Lowell Watson—are to be recalled by Lamb attorneys for cross examination.

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Ten armed forces TV stations will be in operation overseas within a year, according to present plans. Defense Dept. Office of Armed Forces Information & Education (AFIE) so informed advertising agencies and networks in letter reporting on workings and plans of the low-power govt. stations (Vol. 9:52 & 10:19, 44). Currently in operation are pilot installation at Loring Air Force Base, Maine and stations at Lajes Field, Azores & Wheelus Field, Tripolitania. Next ones to begin regular operation will be at Sidi Slimane, French Morocco & Keflavik Airport, Iceland, followed by Greenland installation. Defense Dept. is entering into agreements with networks, TV sponsors and agencies for use of kine recordings or films of their programs—including commercials—on the stations. So far, 102 agencies and sponsors have given clearance for use of programs, and during week of Dec. 10 Defense Dept. shipped 41 CBS shows, 29 NBC, 3 DuMont, 11 ABC, 5 Guild Film shows for overseas TV use. These are augmented by industrial films, armed forces information films and a few feature pictures furnished by motion picture industry and TV film producers.

Still another census of TV ownership is in the works—this time bearing official imprimatur of U. S. Census Bureau, though it will not supply ever-increasing need for a continuing monthly county-by-county census acceptable to industry. That must await start of NARTB’s long-awaited count, now expected to begin in fall (Vol. 11:5). As a stop-gap pending that start, and Advertising Research Foundation group spearheaded by CBS’s Oscar Katz is currently seeking total of \$24,000 from networks, AAAA, RETMA and other interested organizations to finance insertion of question “Do you own a TV set?” in survey conducted monthly by Census Bureau among a scientifically-selected sample of 20,000 families to update its decennial data. The \$24,000 would cover 2 such monthly surveys—one in April or May, other in early fall. NARTB has already contributed \$3000 as its share. From a 20,000 sample, regarded as very accurately representative of all ages and economic levels, Census Bureau would project TV ownership for nation as a whole, with breakdowns by 4 geographic areas. Result would be made known within 6 weeks after count.

Study of TV’s sociological impact on Americans, a vast survey which would probe public’s reaction to TV in all its forms, is under consideration at NARTB, which recently received report on pilot study by unidentified research organization on methods of conducting such survey. Full report on project will be submitted to next TV board meeting in Washington in latter June. Pres. Harold Fellows said it was anticipated that a private research organization or foundation would conduct one-shot survey as industry-wide project (rather than under NARTB tent), if and when it’s authorized. It would seek to measure how TV programming and commercials have affected family living habits, viewer reactions to certain types of programs, effect on children, etc. Results would be of special benefit to Code Review Board as guidance for future code amendments, said Fellows.

Senate Juvenile Delinquency Subcommittee may reconsider its plan to put out special report on TV. Chief counsel Herbert W. Beaser and exec. director Richard Clendenen have resigned, subcommittee disclosed this week, after they came under fire for writing series of articles about subcommittee for *Saturday Evening Post*. New chief counsel James H. Bobo said decision whether or not to issue special report on TV investigation probably will be made next week. Columnist Drew Pearson Feb. 11 published excerpts from what he said was “preliminary Senate report”—highly critical of TV programs. He said TV networks “have been quietly pressuring [the Committee] to tone down their report.” Bobo declined to comment on Pearson’s quotations and charges.

“Program of the year,” chosen by National Assn. for Better Radio & TV (NAFBRAT), in 3rd annual awards, is ABC’s *Disneyland*, which also won award in children’s category. Other NAFBRAT awards in TV: drama, *U. S. Steel Hour & Elgin Hour* (ABC); family situation, *Father Knows Best* (CBS); education & information, *Now & Then* (CBS); comedy, *Halls of Ivy* (CBS); news interpretation, *See It Now* (CBS); interviews, *Person to Person* (CBS); popular music, *Your Hit Parade* (NBC); classical music, *Voice of Firestone* (ABC); quiz, *What’s My Line?* (CBS); public service, *The Search* (CBS); daytime, *World of Mr. Sweeney* (NBC). Radio program of the year award went to CBS’s *Man’s Right to Knowledge*.

Assn. for Professional Broadcasting Education, composed of NARTB members and colleges offering comprehensive professional courses in broadcasting, will be created during NARTB’s annual convention in Washington week of May 22. It will seek to improve training of qualified students for employment in TV-radio and act as liaison between industry and educators.

# Television Digest

with **ELECTRONICS** REPORTS

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## SUMMARY-INDEX OF THE WEEK'S NEWS—February 19, 1955

**JONES REPORT ASKS MORE STUDY** of all phases of network-uhf problems; Bricker and Jones score "network domination" of TV industry (pp. 1 & 6).

**METAMORPHOSIS OF DuMONT NETWORK** seen shopping around new film camera technique; hookup and stuff now trimmed to bare bones (p. 3).

**BLACK-&WHITE RECEPTION FROM COLORCASTS** improving steadily as telecasters gain experience; NTSC leaders reiterate that color standards are sound (p. 4).

**NEWSPAPER PEOPLE SELL OUT** interests in WSFA-TV, Montgomery, Ala. to Oklahoman in rare instance of newspaper owners getting out of TV (p. 5).

**TALLEST MAN-MADE STRUCTURE**, 2003-ft. Louisville TV tower, proposed to FCC—despite Pentagon's intention to block all towers over 1000 ft. (p. 6).

**KTBS CHOSEN OVER KWKH FOR SHREVEPORT'S** Ch. 3, FCC citing "diversification" and ownership integration; Boston Ch. 5 hearing gets noisy (p. 8).

**END OF VHF-ONLY SET PRODUCTION** seen as one sure way to help uhf, as Congress gets bill to exempt all-channel sets from 10% Federal excise tax (p. 12).

**RETMA LEADERS ASSAY MARKET AND PROBLEMS**, chairman Max Bolcom predicting 6,300,000 TV sales this year, 25% being second & replacement sets (p. 11).

**UPCOMING NEW STATIONS**—latest reports from principals include Green Bay shift from uhf to vhf, plans of Providence's WPRO-TV to take to air (p. 9).

**CBS OBJECTIVE 3-3½ HOURS OF COLOR** weekly, starting in April; NBC gives heavy promotion to 2-hour "Peter Pan" scheduled March 7 (p. 10).

**GREATER USE OF CONSUMER CREDIT** should be promoted by industry as means of stimulating higher-priced set sales, help move color (p. 13).

**FEE-TV GETS CAUTIOUS SUPPORT** from educators as exhibitors evince more alarm and producers remain silent; Paramount in anomalous position (p. 16).

**PROBING TV—THE BRICKER-JONES APPROACH:** Senate Interstate Commerce Committee came up with another controversial document this week -- GOP-backed Jones Progress Report, companion volume to the Democratic-sponsored Plotkin Memorandum (Vol. 11:6-7).

The remarkable thing about the Plotkin Memorandum was its full-blown list of New Dealish recommendations for sharp changes in network practices and business methods. Remarkable thing about the Jones Report is not what it recommends -- but the information it seeks to elicit: namely, almost every conceivable detail about the finances, coverage, sponsorship, time clearances, affiliation contracts, etc. etc. of every TV network and station.

If the equivocal Jones Report and the all-too-positive Plotkin Memorandum are opposites in one respect, they're strikingly similar in another: Both convey authors' conviction that networks have too much purse-power over the telecasting industry. Both hit out at FCC, its allocation plan, its post-allocation behavior.

Gist of Jones Report is: Senate Committee needs far more information before it can make any concrete findings. One effect of Jones Report -- though obviously not sole motivation -- is to take backhanded slap at Plotkin's very definite recommendations as "akin to announcing results of an election before ballots are counted."

Former Committee Chairman Bricker (R-O.), who hired Jones to conduct study, appears more positive than Jones in his diagnosis of industry's ills. At joint press conference this week, Bricker plugged for his bill (S-825) to give the FCC explicit jurisdiction over networks -- though Jones conceded there's not enough information yet available to justify this step (and Plotkin said FCC already has the power).

"I don't think the FCC has the authority now," said Bricker -- "at least it doesn't have explicit authority, and certainly it hasn't exercised much."

Characterizing uhf and network probe as "the most pressing problem that we will have before us during this session of Congress," Bricker said he didn't know whether investigation could be completed this year.

Bricker's present thinking on network regulation comes close to common-carrier

or public-utility concept. In answer to press conference question, he suggested that perhaps Govt. should require extension of network service to certain areas, even if it's not profitable at first. He pointed out this is govt. practice in transportation industry, where carriers must serve unprofitable as well as profitable stops.

Jones carefully avoided giving impression he favors common-carrier type regulation for networks, both at press conference and in his report. But the voluminous information he wants from stations, networks and the FCC was interpreted by some as tip-off that he may be eyeing such ideas as regulation of affiliation, distribution of programs to stations, and even rate regulation.

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Ex-FCC Comr. Robert F. Jones' 30-pp. report (with 40-pp. of appendices) was "transmitted" to Committee by all 7 GOP members, accompanied by letter from Bricker praising it as "a professionally competent compilation of facts and recommendations which can be used as a guide in the continuing investigation." In letter to Chairman Magnuson (D-Wash.), Bricker gave this interpretation to Jones Report:

"The report shows clearly that the 4 TV networks, together with their wholly owned TV stations located in the top market areas, garner a disproportionate share of the total revenues for the entire TV industry. As a result, the objective of the Communications Act to provide for a nation-wide competitive TV system is threatened with defeat. Power of TV networks to affiliate or not affiliate amounts practically to power to control the number of TV stations which can subsist financially."

Though report dwells at length on network and big-station dominance, it pins much of blame on FCC. Allocation plan gives all the breaks to vhf at expense of uhf, it says -- and at same time "sets the stage for dominance by 2 networks" because it provides only 35 three-&-four-station vhf cities. Jones concludes that allocation plan is now an established fact and attempts to change it -- i.e., de-intermixture, etc. -- would probably do more harm than good.

[We have a limited number of copies of the Jones Report, and still have some copies of Plotkin Memorandum, which we will send to subscribers on request. For highlights of Jones Report, see pp. 6-7; details on Plotkin Memo, Vol. 11:6.]

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Jones' recommendations are relatively mild, and should be read in full context of report for fullest appreciation of what he's driving at. In brief, they are:

(1) "Uhf must be enabled (by law or regulation) to overcome the artificial economic and technical advantages resulting from FCC's 6th Report." He suggests that networks could help uhf and small-market vhf stations "on a voluntary basis" by adopting more liberal affiliation policies and offering sponsors discount advantages for buying time over entire station lineup.

(2) "A means should be found to channel additional revenue [to] smaller markets which serve great land areas of the country."

(3) Removal of Federal excise tax from all-channel sets "conceivably could be of some benefit," but some plan offering greater incentive should be devised. (See separate story on all-channel receiver proposals, p. 12.)

(4) Each network should adopt "a uniform and impartial affiliation policy which will take into consideration the basic objective of the Communications Act to serve all the people of the nation." Jones Report says networks have no consistent affiliation policies. (Incidentally, CBS this week sent to affiliates an outline of the "criteria" it follows in awarding affiliation contracts.)

(5) Whether networks should be permitted to own stations, and whether networks should be brought under FCC control, can't be determined on basis of available data.

(6) FCC should require uniform financial reports from networks and stations, in much greater detail than at present. It should also require each station to file data showing measured coverage, as it did before adoption of 6th Report.

(7) Committee should act to force FCC to turn over individual financial data on networks and stations. Committee should also give FCC the \$25,000 which Commission said would be required to prepare station-by-station coverage data and maps requested by Jones (Vol. 10:52).

Only network to comment on Jones Report was CBS, whose pres. Frank Stanton had vigorously assailed Plotkin proposals (Vol. 11:6). He said merely that the Jones Report "is so tentative in most of its conclusions and proposals that we believe it premature to make any detailed comment. CBS agrees, however, with the conclusions of Sen. Bricker and Mr. Jones that it is unwise to make final proposals for new laws and regulations at this time before all the facts and views are in."

FCC is giving high priority to its response to Plotkin Memorandum's proposals re de-intermixture, meanwhile -- because many pending petitions and rule-making proceedings depend on whether present Commission policy (generally anti-deintermixture) is changed. What FCC is going to say, no one knows. Presumably, Commission will make no decisions affecting de-intermixture, vhf drop-ins, change in Zone I height ceiling, etc., before replying to Senate Committee. Situation is about same as it was during Potter hearings -- when FCC held up many major allocations actions.

Question of network investigation came up this week in closed-door meeting of House Appropriations subcommittee (Rep. Thomas, D-Tex., chairman) which queried FCC officials about proposed new budget. FCC was asked about network situation, replied that for years it has sought appropriation to conduct network investigation but that funds have always been denied by Congress and/or Administration. Meeting was affable -- perhaps one reason being that Comr. Lee is former chief of the Appropriations Committee's professional staff.

Sen. Kilgore's monopoly subcommittee, which plans to look into "monopoly in TV industry," meets Feb. 21, and is expected to ask appropriation of \$250,000 for all its anti-trust studies, without specific breakdown as to industries.

**METAMORPHOSIS OF THE DuMONT NETWORK:** More drastic changes are due at DuMont Network before the summer is out. Key to changes is what Dr. Allen B. DuMont calls the "piggy-back" camera -- a combination TV-film camera shooting film at same time that a live show is televised. Just how this will be employed hasn't been disclosed.

Now linking only 15 "main line" cities plus a few off-air "feeders" ranging from New York-Chicago & New York-Washington (Vol. 11:1), except for occasional bigger hookups for Bishop Sheen and for sports shows, the DuMont Network has now been reduced to such skeleton proportions that it can scarcely be ranked as a national chain any longer. Sponsored and sustaining shows are down to a handful, and staff further reduced to what a spokesman describes as an "absolute working nucleus."

Scuttlebutt of ex-employees, added to trade reports that DuMont's remaining 2 owned stations in New York & Washington may go the way of WDTV, Pittsburgh, sold to Westinghouse recently for record \$9,750,000 (Vol. 10:49), have again forced managing director Ted Bergmann to reiterate:

"We have no intention of going out of the network business."

\* \* \* \*

The most anyone has said about new TV-film technique was Dr. DuMont's statements during recent speech before Los Angeles Chamber of Commerce, titled "The Look Ahead With Electronics" (Vol. 11:6).

Discussing the interdependence of movies and TV, he foresaw "an increase in the future of film programming on TV as against live production," and remarked that it's inevitable the motion picture industry "must be re-tooled from top to bottom." As far as equipment is concerned, it's still working in the Dark Ages, he said, by contrast with the electronic cameras and other superior equipment of TV.

It must modernize itself, he went on, on the basis of electronic techniques which will cut costs and shooting schedules, yet at the same time improve quality. He mentioned equipment which "can make possible the viewing of a scene on the set, as it is being played, with the images of 2 or 3 or 4 cameras all on a panel before the eyes of the producer and director and cameramen and their respective staffs.

"DuMont Laboratories recently demonstrated together with a major film company a piggy-back miniature TV camera mounted alongside a motion picture camera so that the director & technicians would have simultaneous viewing on TV monitors of exactly what is being filmed.

"A technically perfected combination TV and motion picture camera has vast

implications for the TV industry as well. We are vigorously pursuing this problem in our own laboratories and we believe we have the problem licked. When we complete our work, it will be possible for motion picture companies to operate with the technical efficiency of TV studios -- reducing picture costs by a fantastic amount.

"By the same token, TV networks will be able to present a live show let us say from New York to Los Angeles, and at the same time a true quality film version of the show is made simultaneously. These would be actual top quality films -- not teletranscriptions or kinescopes. Through use of film in this manner, the differences in time zones between various parts of the United States would be bridged."

Will the DuMont Network evolve essentially into a producer & seller of film shows, shot at its own studios or those of others? Does DuMont propose to become a "packager" primarily? Will he keep new techniques to himself or license others? How good is the new equipment, actually? We should have the answers fairly soon.

**TELECASTERS IMPROVE COLOR COMPATIBILITY:** Complaints of "compatibility" aspects of colorcasting -- the sometimes poor pictures seen on ordinary black-&-white sets -- have diminished lately, but there are still occasional blasts. A few months ago, there were even appeals to FCC to "do something about it."

Fact that complaints have fallen off is ample evidence that there's nothing inherent in the technical color standards that means an inferior monochrome picture should come from colorcasts. Such complaints have had long-distance repercussions.

Britain has been arguing, for example, over merits of various color standards and influential Wireless World states: "The compatible system which has now been tried out in America has not proved quite so successful as was at first hoped, and it appears to have one or two technical disadvantages, such as 'buzz' on sound and dot patterns on the screen, which would not be very acceptable in this country."

We have never heard the aforementioned "buzz" nor have we ever found a layman who has even noticed the dots; most sets scarcely show them. Justifiable complaints have resulted largely from poor lighting practices and camera misregistration.

We've asked the chairman and vice chairmen of NTSC, which set up color standards, to comment on compatibility aspects -- and they've scotched notion that the standards are at fault. Here's statement of NTSC chairman, GE's Dr. W.R.G. Baker:

"Since the first color broadcasts under the NTSC standards, there has been decided improvement in the quality of pictures on monochrome receivers from color broadcasts. Essentially, I believe, this is due to both improvement in equipment and to experience gained by broadcast engineers. The NTSC standards provide the basis for a good monochrome picture from color broadcasts. Color broadcasting is, of course, more complicated than standard monochrome broadcasting. But certainly some of the very recent color broadcasts have presented excellent black-&-white pictures on monochrome receivers."

Hazeltine's A.V. Loughren, an NTSC vice chairman, puts it this way: "Color TV programs broadcast using the FCC standards are capable of giving excellent picture quality on monochrome TV receivers; an overwhelming array of evidence was amassed during the field tests which preceded adoption of these present standards by the FCC in demonstration of this fact.

"Perhaps the key phrase in the foregoing statement is 'capable of'. Now, when a broadcasting channel carries a color signal, it is more completely filled than when it carries only a monochrome signal; and a friend of mine has pointed out, facetiously but most wisely, that a nearly full bucket must be carried more carefully than a half empty one if nothing is to be spilled.

"In their studio & control room operations, the broadcasters are still learning to carry the nearly full bucket. Sometimes they carry it perfectly, and sometimes they spill a little. Monochrome TV receivers are also involved in the carrying of this bucket; a receiver which is in good operating condition will not spill any of its contents (figuratively) into the viewer's lap, but a receiver whose operating conditions have developed some deterioration may show some impairment."

Comments from the other 2 NTSC vice chairmen -- RCA's Dr. E.W. Engstrom and Philco's David B. Smith -- weren't available this week.

**Telecasting Notes:** Warner Bros., it now develops, has released 191 of the *Looney Tunes* and *Merrie Melodies* cartoons of its short-subject subsidiary Sunset Productions. William Morris Agency negotiated deal with Reub Kaufman, pres. of Guild Films, who will give Vitapix stations first crack at them. Package includes *Porky Pig*, *Daffy Duck*, *Buddy's Adventures*, *Bosko's Antics*. It's third such unloading of cartoons to TV, Matty Fox's MPTV owning the Walter Lantz series produced by Universal and Hygo having the *Krazy Kat* cartoons acquired from Columbia . . . Does this mean Warner Bros. is simply "feeling" its way before releasing backlog of features? Says *Billboard*, which has consistently predicted the majors will open their vaults and which last week said Warner's would do so (Vol. 11:7): "The deal also is regarded by tradesters as Warner's means of testing out the vidfilm field. Possibility exists that some of its feature films may be brought into the market later if the firm is satisfied with the way the cartoon deal works out" . . . 20th Century-Fox authorizes revamping of 10 stages & theatres on Hollywood Western Ave. lot for production of TV film; Sid Rogell, exec. producer, in charge . . . Decision to move into TV production impelled *Film Daily's* Chester B. Bahn to comment Feb. 17 that it's "merely another straw in the video wind that is fast gathering velocity in this industry of ours" . . . Fox is taking the "only possible course consistent with sound business policy," adds Bahn. "It is evident—as Columbia's delighted stockholders learned at their last annual meeting [see Financial & Trade Notes]—that there is money to be made in TV production; so Fox is moving in" . . . Mary Pickford, who with husband Buddy Rogers owns one-third of Winston-Salem's WSJS-TV as an investment, is currently litigating sale of Samuel Goldwyn studios in Hollywood because she's interested in acquiring them for TV and feature film production, according to Pickford Corp. v.p. Richard Polimer . . . Arche Mayers' Unity TV Corp. has acquired 13 new 1953-54 "first-run" feature films, U. S. & British, which brings its feature catalog to about 400; titles in new package, called "Lucky 13": *Operation Diplomat*, *House of Blackmail*, *This Was a Woman*, *Dangerous Cargo*, *Blue Parrot*, *Private Information*, *Profile*, *Burnt Evidence*, *The Corpse Finds a Clue*, *Men Against the Sun*, *Final Appointment*, *The Delavine Affair*, *Mystery Man vs. Scotland Yard* . . . "Sneak preview" of a theatrical movie—via TV before it is even filmed—is novel idea of producer Les Hafner, who will try it with *Thousand-Dollar Window*, last of late Mark Hellinger's screenplays. Show will be presented live in one-hour version over ABC-TV's *Elgin Hour*, with some 5000 theatre owners invited to send in their comments on special cards. Hafner keeps right to kines, plans to begin shooting theatrical version next summer . . . Ed Murrow cancels plans to film opening night of *Porgy and Bess* at La Scala in Milan for his *See It Now* because Actors Equity demanded week's salary for entire cast; co-editor Fred W. Friendly said nobody is ever paid to appear on *See It Now* . . . Robert Sherwood was released from his NBC-TV playwrighting contract so he can devote fulltime to movie & stage commitments; 2 of the 9 original TV plays for which he had contracted with NBC have been presented.

Universal C.I.T. Credit Corp., subsidiary of C.I.T. Financial Corp., 1 Park Ave., New York City, in cooperation with Internal Revenue Bureau, is releasing gratis to all TV stations three 4½-min. film shorts on *How to Make Out Your Income Tax Return*.

TV Fashion Service, 50 E. 56th St., N. Y., has been set up as modern-dress rental service for shows and commercials featuring women performers, with no credit lines required for the rented clothes.

**UNUSUAL INSTANCE** of newspaper interests selling a TV property—the FCC-approved sale this week of WSFA-TV, Montgomery, Ala. (Ch. 12)—points up fact that newspapers have been frequent buyers but seldom are sellers of TV stations. Sellers of 50% interest in WSFA-TV were R. F. Hudson, publisher of *Montgomery Advertiser and Journal*, his son R. F. Hudson Jr. and son-in-law Sebie B. Smith. The younger Hudson was to have become manager when station began operation, but became ill. Other 50% was sold by ex-mayor, now probate judge David E. Dunn and H. S. Durden; Judge Dunn also has been ill, though he undertook to run the station when it started last Nov.

Purchaser is the *Oklahoma City Oklahoman* family (E. K. Gaylord), who founded pre-freeze WKY-TV and operate radio WKY there. Purchase price for the Montgomery TV station, along with radio WSFA (1-kw N, 5-kw D, 1440 kc, NBC), was \$562,598 cash plus assumption of more than \$600,000 in obligations, including \$500,000 owed on equipment. Total deal involves \$1,200,000. New mgr. is Hoyt Andres, ex-WKY.

Radio WSFA, incidentally, was originally owned by the Persons family and managed by Gordon Persons, recently Gov. of Alabama, whose brother is Gen. Wilton Persons, aide to President Eisenhower. Gov. Persons has been mentioned prominently for the Democratic vacancy on FCC to be created next June 30 when 7-year term of Comr. Frieda Hennock expires, but he recently suffered a serious heart attack and has been confined to his home in Montgomery ever since.

Miss Hennock was one of the 3 commissioners (others: Bartley & Lee) voting against transfer. Record in case included protest from Oklahoma City's KWTW (Vol. 10:50) objecting because of alleged unfair discriminations by the Gaylord newspaper in its news columns, which led FCC to add rider to grant stating: "Approval in this case does not necessarily foreclose Commission from considering past conduct as cumulative should any issue arise in the future."

FCC's predilection is for local ownership, sometimes unattainable, and it likes to know a grantee means to stay in the business. Study of the 75 or more major TV station transfers recorded since 1949 (see *TV Factbook No. 20*, pp. 29-32) shows that in the few instances where newspaper interests have sold out they were absentee interests more often than not. For example, *New York Post* publisher Dorothy Schiff Sonneborn sold old KLAC-TV, Los Angeles, now KCOP, to Copley Press; Ft. Smith publisher Donald Reynolds sold his half of KRTV, Little Rock, to Kenyon Brown; *Erie Dispatch* publisher Edward Lamb sold his WTVN-TV, Columbus, to Taft interests (*Cincinnati Times-Star*); *Lancaster New Era* publishers, the Steinman brothers, sold WDEL-TV, Wilmington, to Paul F. Harron of Philadelphia; Hearst Corp. sold back its 25% interest in KING-TV, Seattle, to Mrs. Scott Bullitt.

Only outright sales by newspaper interests were those of KOB-TV, by aged publisher T. M. Pepperday (*Albuquerque Journal*) to Time Inc.-Wayne Coy; and of merged *Atlanta Journal-Constitution* interests' WLWA to Crosley, forced so that Journal's WSB-TV might be retained.

While newspapers were prominent among the pre-freeze grantees who relinquished CPs (*Factbook*, p. 31), there are none among the owners of the 44 stations that have gone off the air (*Factbook*, p. 28, plus TV Addenda to date). Value of TV-radio outlets as adjuncts to newspapers has been recognized ever since the beginnings of broadcasting and telecasting; their "constancy" as operators is one of the arguments being advanced in refutation of opposition to newspaper ownership.

**Personal Notes:** William H. Fineshriber Jr. resigns as NBC v.p. in charge of radio network, effective March 1, his duties to be assumed by exec. v.p. Robert W. Sarnoff; an exec. v.p. of Mutual before joining NBC in March 1953, he'll vacation month in Caribbean before announcing future plans . . . Wm. S. Paley, CBS chairman, named to Committee for the White House Conference on Education . . . Edgar Peterson, CBS-TV mgr. of story & script dept., assigned to Hollywood as associate producer of *Climax!* succeeding Elliott Lewis, working on new shows . . . Thomas Means appointed director of promotion service for CBS-owned TV stations, succeeding John Donald Foley, now director of sales promotion, CBS-TV Spot Sales . . . Liel Tanenholz, DuMont Network personnel mgr., resigns to return to research engineering . . . George Jaspert, WCCM, Lawrence, elected pres., W. C. Swartley, WBZ-TV, Boston, v.p., Mass. Broadcasters Assn. . . Roy A. Smith named operations mgr., WLAC-TV, Nashville . . . A. B. McPhillamy promoted to sales mgr., KHOL-TV, Kearney, Neb. . . Elaine von Grimmenstein transferred to Storer's WGBS-TV, Miami, succeeded by Pat Elliott as promotion mgr., WJBK-TV, Detroit . . . Luellen Stearns resigns as NBC Spot Sales eastern div. mgr. . . Stephen W. Pozgay, ex-WTVP, Decatur, Ill., now TV-radio director, Biddle Adv., Bloomington, Ill. . . Alexander R. M. Griffen, TV-radio director, upped to v.p., Al Paul Lefton Co. . . L. S. (Duke) Weitzman, ex-WABC, named ABC mgr. of audience promotion . . . Elmer Hanson joins KXJB-TV, Valley City-Fargo, N. D., as mgr. of Grand Forks studio, now under construction.

Ford Pearson, the veteran Chicago announcer lately with Geoffrey Wade Agency, now a resident of Sherman Oaks, Cal., has acquired radio KVON, Napa, Cal. (500-watts, 1440 kc, daytime); FCC approved \$45,000 purchase this week.

**HIGHLIGHTS OF JONES Progress Report** prepared for Senate Interstate & Foreign Commerce Committee (see pp. 1-3):

*Allocation plan:* "Whatever advantage the 6th Report [gave] to vhf over uhf, and whatever unfair opportunities for success it may have created for any 2 of the 4 networks and their affiliates in major markets, it is now an accomplished fact. [We] have to live with the results of the allocation plan that the Commission adopted in 1952. . . . The artificial scarcity of vhf channels in a few major markets could be alleviated by a little relaxation of the Commission's rules. On the other hand, such relaxation would tend to make the plight of uhf stations even worse in those areas given vhf assignments, even though such an action could help ABC or DuMont's competitive network situation."

*De-intermixture:* "The proposal to shift all vhf to uhf is impractical . . . Any action to make uhf service areas competitive with vhf would require a wholesale re-assignment of vhf channels and entail staggering capital expenditures by vhf permittees and licensees. De-intermixture also would entail staggering capital expenditures by every vhf station located in proposed uhf-only cities and by millions of vhf-only set owners in the proposed de-intermixed uhf-only service areas."

*FCC actions and uhf:* "Past actions of the FCC have served to accentuate, rather than alleviate, the economic and operational difficulties of uhf telecasting as compared with vhf telecasting. For example, the Commission has permitted satellite operation of uhf stations by vhf stations since this investigation was initiated. If vhf stations located in the larger markets of the nation use uhf stations as satellites in order to extend their vhf service areas, then, indeed, uhf individual operators will have a further economic hurdle thrown in their path . . ."

**T**HE 2003-ft. tower, for which WHAS-TV, Louisville, is still seeking airspace clearance, is now officially on file with FCC. Application proposing move to Waterford Pike, 2 mi. north of Mt. Washington, states that cost of complete project would run \$1,241,000—including \$925,000 for tower & antenna, \$205,000 for new 50-kw GE transmitter, \$60,000 buildings, \$50,000 land, \$1000 furniture. Kind of tower isn't specified, except that it will be triangular guyed structure.

Station apparently faces tough fight getting airspace clearance, since military members of Washington Airspace Subcommittee are arbitrarily rejecting as "hazards" all requests for towers over 1000 ft. (Vol. 11:4). Latest such tower to be rejected by subcommittee was 1356-ft. structure planned by KGEO-TV, Enid, Okla., to replace present 816-ft. and endorsed by regional airspace subcommittee.

Industry-Govt. Committee, set up by top-level Air Coordinating Committee to study whole tall-tower problem (Vol. 11:3), will probably hold first formal meeting week of March 4, with CAA chairman F. B. Lee and FCC Comr. Robert E. Lee as co-chairmen.

WHAS-TV's 2003-ft. tower would be far & away tallest man-made structure in the world—surpassing 1572-ft. tower of KWTW, Oklahoma City, which now holds record. Third tallest would be 1521-ft. tower of WFAA-TV & KRLD-TV, Dallas, for which ground was broken last week. Latter is unique "candelabra" structure, with each antenna mounted at end of cross-arm at top of tower (Vol. 10:14). RCA is prime contractor for whole \$2,000,000 project, which includes 2 transmitter buildings, and completion is expected late this summer.

Another tall tower, already cleared by Airspace Subcommittee, is due to begin rising in week or so. It's 1085-ft. tower of KCRG-TV, Cedar Rapids, Ia., to be built by Dresser-Ideco.

*Uhf receivers:* "The proposed removal of Federal excise tax from all-channel receivers . . . appears an insufficient incentive for the increased production and successful marketing of such sets [although it conceivably could be of some benefit]. The committee might well consider some other means to encourage manufacturers of TV receivers to shift to production of all-channel receivers only."

*Uhf & networks:* "A means must be found to place uhf on a competitive basis with vhf in all markets. Specifically, uhf must be enabled (by law or regulation) to overcome the artificial economic and technical disadvantages resulting from the FCC's 6th Report and allocation plan and the natural economics which concentrate network operations in populous centers. A large share of the total revenues of the broadcast industry must be channeled to uhf outlets in the smaller markets. Also, it must be remembered that there are vhf station operators in smaller markets facing financial difficulty. It is felt the individual networks could do much on a voluntary basis to support the TV economy outside the larger markets by (1) adoption of a more liberal and impartial policy toward affiliation and (2) offering price discount advantages to national advertisers to buy time over all outlets of [the] network rather than selected stations in large markets."

*Network control:* "Information available to date is insufficient to justify bringing networks under regulation by the FCC. There is justification for further study of the proposal."

*Broadcast revenue distribution:* "The pattern for 5 years (1948-53) established the predominance of the revenues of the networks and their owned-&-operated TV stations in relation to those of the entire TV industry when it is considered that the 4 networks and their compara-

tively small number of wholly owned stations have consistently maintained a 52.6 to 56.6% share of the revenue received by the entire TV industry during a period of rapid growth throughout the country. It is noteworthy that 2 of the 4 networks account for approximately 85% of all TV network billings, a fact which serves to emphasize the tremendous hold and influence of the 2 predominate networks (CBS-NBC) on the TV industry."

Even excluding revenues from owned-&-operated stations, the 4 networks in 1952 had broadcast revenue of \$130,764,000 or 40.33% of entire industry's total of \$324,200,000, while their broadcast expenses were \$135,511,000 or 50% of industry total of \$268,700,000. In 1953, network broadcast revenues (again excluding o-&o stations) were \$161,363,000 or 37.3% of industry's \$432,700,000, while network expenses were \$161,239,000 or 45% of industry total of \$364,700,000.

*Nationwide TV system:* "In 1953, the 80 TV stations in 22 selected [large] TV markets received 41.13¢ out of each dollar received by the entire TV broadcast industry and paid 34.71¢ out of each dollar of expense paid by the entire TV broadcast industry as the cost to participate. On the other hand, the 254 TV stations located in 199 cities (other than the 22 selected TV markets) received only 21.59¢ out of each dollar received by the entire TV broadcast industry and they paid 20.25¢ out of each dollar of expenses paid by the entire broadcast industry . . .

"The share of total broadcast revenue received by all stations in other than the top-ranking markets is insufficient to support a nationwide competitive TV system. In the public interest, a means should be found to channel additional revenue to these smaller markets which serve great land areas of the country."

*Affiliation policies:* "Information submitted by the networks shows clearly that [they] have no consistent affiliation policy which they apply uniformly. Nor have they proven any rational basis for past decisions to affiliate or reject affiliation with individual TV stations. It is urged that each network adopt a uniform and impartial affiliation policy which will take into consideration the basic objective of the Communications Act to serve all people of the nation."

**Station Accounts:** WCBS-TV's filmed *Late Show* (11:15 p.m.-12:30 a.m.), which celebrates its 4th anniversary Feb. 26, reports gross billings of \$4,000,000 for the 4-year period, representing 8120 partic. spots for 178 sponsors. Show uses both new & old feature films, has no hesitancy whatever about repeats. For Feb., it has 192 one-min. spots on books representing \$115,000 (at \$600 per spot), and foresees gross of \$1,350,000 this year. Further, despite recent competition of Steve Allen's NBC-TV *Tonight* on WRCA-TV, show's Telepulse rating has never dipped below 7. Though show is owned by WCBS-TV, some 50 or so CBS affiliates carry local film programs under same title . . . Keebler Biscuit & Buitoni Macaroni are first to sign for WRCA-TV's new "14-50" frequency discount plan for 14 or more station breaks in a single week (Vol. 10:7), former thru McKee & Albright, Philadelphia, latter thru Albert Frank-Guenther Law Inc., N. Y. . . . All Yankee & Giant games on WPIX, as well as pre-game & post-game shows, have been signed up for sponsorship—by Chesterfield, Ballantine, White Owl, Camel, Cities Service, Krueger Beer; multiple sponsors of WPIX's *Liberace* series (10 half hours a week) are Simoniz, Toni, Gold Seal, Best Foods, Old Dutch Coffee, American Bakeries, Proctor Electric, Tea Council . . . Olympia Brewing Co. buys Ziv's new filmed *Science Fiction Theatre* in Los Angeles, San Francisco, Seattle, Spokane, Portland, San Diego & Boise, thru Botsford, Constantine & Gardner, Seattle . . . Coca-Cola to test its new 10, 12 & 26-oz. "king size" bottles with TV

*FCC record-keeping:* "There appears to be an obvious need for the establishment by the FCC of a uniform accounting procedure providing for the submission by networks and individual TV stations of reports embracing greater detail. It is felt the Commission should set up a uniform pattern under which the networks would allocate network and operation expenses for wholly-owned stations. Your staff found in its investigation that the Commission had less information in its files than the radio stations it purports to regulate or the networks.

"It is recommended that the Commission require each TV station licensed by it to file a proof of performance which will show the measured coverage of each such station. Such information was kept for all TV stations prior to adoption of the 6th Report."

*Network ownership of stations:* "On the basis of information currently available, your staff cannot determine whether networks need to, or should, own broadcasting or TV stations to subsidize network operations."

*Further study:* "Your staff is in possession of only a modicum of the information needed to formulate any comprehensive program of reform. To attempt to do so on the basis of the information thus far gathered and analyzed would be akin to announcing the results of an election before the ballots are counted." Jones also:

Recommended that committee make available to FCC the \$25,304 which FCC estimated would be required to supply information requested, including tables and maps of technical data and service areas of pre-freeze and post-freeze stations, in operation or authorized, as of April 15, 1952 and as of Oct. 1, 1954.

Recommended that committee "take such action as may be necessary to obtain from the FCC financial information on the individual networks and TV stations, which information the Commission has advised the committee it cannot furnish except by specific direction."

Appended to report 12 pp. of questions proposed to be sent to the 4 TV networks, asking exhaustive financial & technical data concerning networks and each of their TV, FM & AM affiliates. In addition, he set forth series of 5 tables to be filled in by individual TV stations, designed to elicit financial, coverage, technical and network data.

spot campaigns in Boston, Detroit, San Francisco & Columbus, thru D'Arcy Adv., N. Y. . . . Union Pacific Railroad buys alt. week sponsorship of NBC Film Div.'s *His Honor, Homer Bell* in Los Angeles, Portland, Seattle & Omaha, thru Caples Adv., Chicago . . . Economics Laboratory Inc. will add spots to *Garry Moore Show* on CBS-TV to promote Feb. 18-31 write-in contest for users of its Soilax cleaner, thru J. M. Mathes Inc. . . . Pineapple Growers Assn. in 1955-56 promotion plans use of TV-radio homemaking programs, thru J. Walter Thompson, San Francisco . . . Columbus Automobile Club (AAA) sponsoring "driving school" for 13 weeks on WLWC . . . Among other advertisers currently reported using or preparing to use TV: North American Mushroom Co., Tinley Park, Ill. (steak sauce), thru M. M. Fisher & Assoc., Chicago; Coffee Time Products Co. of America, Jamaica Plains, Mass. (Coffee-Time syrup & sparkling soda), thru Bresnick Co., Boston; Arizona Brewing Co., Phoenix (A-1 Pilsener beer), thru Erwin, Wasey & Co., Los Angeles; Orange Fruit Corp., Newark (Orange Blossom fresh orange juice), thru Sterling Adv. Agency, N. Y.; Glamur Products Inc., Syracuse, N. Y. (car upholstery cleaner), thru Moser & Cotins, Utica; Valspar Corp., Ardmore, Pa. (paints, stains, enamels), thru Brooke, Smith, French & Dorrance, N. Y.; Mace Labs, Neenah, Wis. (ZMO oil), direct; A. Brioschi & Co., Fairlawn, N. J. (anti-acid preparation), thru David J. Mahoney, N. Y.

**D**IVERSIFICATION and ownership-management integration were FCC's major reasons for choosing KTBS over KWKH in final decision granting Shreveport's Ch. 3—sole CP of the week. In affirming examiner Basil Cooper's initial decision (Vol. 10:25), Commission found the 2 applications about equal in other respects, but it concluded that KWKH (Ewing-Bronson families) would have too great control over media in area. KWKH principals hold interests in 50-kw AM in Shreveport, *Shreveport Times*, 50-kw KTHS in Little Rock, Ark., *Monroe* (La.) *World and News-Star*, Ch. 11 CP for KTHV, Little Rock. Wray family has no media ownership other than KTBS.

Boston's 5-way Ch. 5 fight took unusual turn this week. Recently, there were allegations that cartoonist Al Capp, whose Fosdick Productions has subscribed to 1.92% of Massachusetts Bay Telecasters, was responsible for pornographic drawings. This week, applicant offered amendment to delete Capp as stockholder, pointing to action of National Cartoonists Society suspending cartoonist Ham Fisher for failing to prove he didn't "doctor" Capp's drawings in effort to discredit Capp. Capp said he was offering to withdraw to keep rest of stockholders from getting involved in a remote "cat and dog fight."

Fight became more complicated immediately. All 4 of Massachusetts Bay's competitors filed joint opposition to the amendment. They referred to "patently false statements" by Capp; to 3 Boston policemen who had been prepared to testify regarding "a lewd and obscene incident in the life of Mr. Capp"; to FCC's consideration of re-opening record because of what police were expected to say, etc. They asked that hearing be re-opened and that 14 people, including Capp, be subpoenaed.

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Several allocations petitions were filed with FCC this week. KWAT, Watertown, S. D., applicant for Ch. 3, submitted plan for keeping Ch. 3 in Watertown and adding Ch. 10 to Bradley, S. D. Recently, Hills Bestg. Co., Florence, S. D., also an applicant for Watertown's Ch. 3, had asked that Ch. 3 be shifted to Bradley, Ch. 10 allocated to

Watertown. KWAT proposes that Ch. 7 be substituted for Ch. 9 in Aberdeen, S. D., Ch. 9 for Ch. 7 in Jamestown, N. D., Ch. 9 for Ch. 10 in Pierre, S. D.

KSEM, Moses Lake, Wash., asked that Ch. 8 be added to town by substituting Ch. 11 for Ch. 8 in Walla Walla.

Another shift downward was sought by a uhf station—WHUM-TV, Reading, Pa. aiming to move from Ch. 61 to Ch. 15. It would achieve this by substituting Ch. 61 for Ch. 15 in Lebanon, Pa., Ch. 23 for Ch. 30 in Cumberland, Md., Ch. 30 for Ch. 46 in Chambersburg, Pa., deleting Ch. 29 from Philadelphia.

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Efforts of KGTV, Des Moines (Ch. 17) to obtain use of educational Ch. 11 were renewed this week. Station had been turned down on request that it be permitted to occupy Ch. 11 for 3 years, because educators weren't using it. This week, it submitted 8 alternative plans—such as temporary operation on both channels, temporary operation on Ch. 11, experimental operation on both, operation of Ch. 11 as satellite of Ch. 17, rule-making to make Ch. 11 commercial with KGTV permitted to use the channel pending rule-making.

Complicated fight over Storer's WGBS-TV, Miami (Ch. 23) will go to oral argument Feb. 28. Miami grantee WMFL (Ch. 33) and radio WINZ had protested moves whereby station was established and Storer obtained NBC affiliation (Vol. 10:51). Commission ruled that protestants are entitled to be heard.

Pinning hopes on Plotkin Memorandum's statements regarding de-intermixture (Vol. 11:6), WKOW-TV, Madison, Wis. (Ch. 27) urged FCC to reconsider denial of petition requesting that city's Ch. 3 be designated educational.

First to endorse FCC's proposed low-power satellite rules (Vol. 10:51) are the educators. Approval came from Clair L. Taylor, Michigan supt. of public instruction; John D. Millett, pres. of Miami U, Oxford, O.; George W. Starcher, pres. of U of No. Dakota. All thought inexpensive low-power operations would foster educators' early entrance into TV.

**Network Accounts:** High value of re-runs (Vol. 10:7) is sharply illustrated this week by ABC-TV's plan to give 10 *Disneyland* shows a third-run this summer with continued backing of hit program's current sponsors—Nash, American Dairy Assn., Derby Foods. It's something new in network repeats; only in syndication has third-run been vogue. If successful, ABC-TV plans to do same thing next summer with Disney's new *Mickey Mouse Club* (Mon.-Fri. 5-6 p.m.) which debuts in fall . . . Dave Garroway's *Today* goes to west coast via "quick kine" starting Feb. 28 for full 7-9 a.m.; since Sept. 27, it has been on west coast 8-9 only . . . Budweiser Beer to sponsor Screen Gems' *Damon Runyon Theatre* on CBS-TV starting April 16, Sat. 10:30-11 p.m., thru D'Arcy Adv. . . . Kent cigarettes to sponsor *Adventure Theatre* as replacement for *Father Knows Best* on CBS-TV starting April 3, Sun. 10-10:30 p.m., thru Young & Rubicam . . . General Mills & CBS-Columbia to be alt. week sponsors of 2 CBS-TV shows starting first week in April—*Willy* (Thu. 10:30-11 p.m.) & *Life With Father* (Tue. 8-8:30 p.m.), former thru Dancer-Fitzgerald-Sample, latter thru Ted Bates & Co. . . . CBS-TV's Sun. night lineup for next fall was strengthened considerably this week when Bristol-Myers signed Alfred Hitchcock to produce new comedy-mystery series 9:30-10 p.m. . . . Dixie Cup to be alt. sponsor (with Mars Candy) of *Super Circus* on ABC-TV starting in March, Sun. 5-6 p.m., thru Hicks & Greist, N. Y. . . . Corn Products Refining Co. (Mazola oil) buys Wed. 10:30-10:45 a.m. portion of *Arthur Godfrey Time* simulcast and Wed. 2-2:15 p.m. portion of *Robert Q. Lewis Show* on CBS-TV starting Feb. 23,

thru C. L. Miller Co., N. Y. . . . Procter & Gamble to take over sponsorship of 15 min. of *Jackie Gleason Show* which Sheaffer Pen dropped last week, effective April 2, on CBS-TV Sat. 8-9 p.m., thru Compton Adv. . . . ABC-TV drops TV version of *Breakfast Club* simulcast Mon.-thru-Fri. 8-9 a.m., following cancellation by Quaker Oats, sole surviving TV sponsor.



AT&T continues interest in network TV, including color, but has made no decision to buy a TV show yet—according to N. W. Ayer's Vance Babb, who handles account. NBC's projected *Wide, Wide World* (Vol. 11:6) has been considered but no commitment made. This week, in her Scripps-Howard column, Faye Emerson stated that movie director Frank Capra is shooting color series and Bell System "is said to be picking up the tab." She adds that release isn't due for 3 years, pending growth of color set circulation. Babb said that Capra has made some film for AT&T; that he doesn't know whether it will be used for TV, and presumes some of it is in color.

Rate increases: WBNS-TV, Columbus, on March 1 adds new 8-10 p.m. daily Class AA \$825 hour, \$175 min., Class A hour remaining \$780; WDEF-TV, Chattanooga, raises base hour from \$350 to \$400, min. \$70 to \$90; WWLP, Springfield, Mass., from \$300 to \$350 & \$60 to \$70; KOLN-TV, Lincoln, Neb., from \$250 to \$300 & \$50 to \$60; WFBG-TV, Altoona, Pa., April 1 raises base hour from \$500 to \$600, min. \$100 to \$120. Rate revision: WTVY, Dothan, Ala. lowered base hour from \$150 to \$100 before Feb. 12 commercial start.

**E**X-OWNERS OF UHF WNAM-TV, Neenah, Wis. (Ch. 42), who now control WFRV-TV, Green Bay (Ch. 5), hope to get the new vhf station on air with test patterns April 15, ABC & DuMont programs week later, writes v.p. Don C. Wirth. Target dates depend on FCC approval of merger deal between owners of off-air WNAM-TV and CP-holders for WFRV-TV (Vol. 10:49 & 11:2). WFRV-TV is due to receive 25-kw DuMont transmitter March 1, has leased building and 463-ft. tower of defunct WJPG-FM on Scray's Hill next to Norbertine Fathers' WBAY-TV (Ch. 2), says it can start on short notice since only work necessary is installation of transmitter and RCA 5-bay antenna. Neenah studios of WNAM-TV will be used to supplement Green Bay facilities. Base hour will be \$300. Rep will be Headley-Reed.

No transmitter shipments were reported this week, but DuMont reports order for 50-kw amplifier to be shipped in 30 days to KCRG-TV, Cedar Rapids, Ia. (Ch. 9).

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

KWTX-TV, Waco, Tex. (Ch. 10), now plans April 1 start, reports mgr. M. N. Bostick. RCA equipment is on hand, but studio-transmitter building won't be ready until then. RCA antenna is scheduled for installation about March 1 on 461-ft. Andrews tower. It will be city's second outlet, KANG-TV (Ch. 34) having begun in Oct. 1953. Earl B. Huff will be chief engineer; Gene Lewis, program director. Base rate will be \$200. Rep not chosen.

KSTF, Scottsbluff, Neb. (Ch. 10), seeking National Park Service approval of new site atop Scottsbluff National Monument, has set back test pattern target to April 1, reports Wm. C. Grove, gen. mgr. of parent KFBC-TV, Cheyenne, Wyo. (Ch. 5). KSTF will be 79 mi. southwest of Cheyenne, plans to rebroadcast KFBC-TV programs, but will also have some film originations. It has ordered RCA transmitter and 6-bay superturnstile antenna. KFBC-TV chief engineer R. C. Pfannenschmidt will go to Scottsbluff to take charge of 4-man operation. Time will be sold only in combination with KFBC-TV. Rep for both is Hollingbery.

**A**NOTHER GOVT. WITNESS in Lamb case swore this week that he had given false testimony against the Ohio broadcaster-publisher-industrialist last fall. Put on stand by Lamb attorneys for cross-examination, Lowell Watson, ex-Communist now employed by Justice Dept. as consultant, declared his false testimony was due to "constant and consistent coaching, conditioning and misleading conversation" by former FCC attorney Walter Powell, FCC investigator Robert Leahy and Wm. G. Cummings, govt.'s first witness in case who testified he was employed as FCC "consultant." Watson said he testified falsely last fall when he swore Lamb was on advisory committee of International Labor Defense and when he said he was present when Lamb gave money to Communist causes.

Examiner Herbert Sharfman this week said he considers turnabout witness Mrs. Marie Natvig (Vol. 11:7) "a completely incredible witness" and indicated he will give no weight to her testimony. On the stand earlier this week, Mrs. Natvig testified: (1) FCC attorneys once conceded to her that they were "no match" for Lamb attorney Russell M. Brown and were seeking to have him barred from practice before the FCC; (2) FCC lawyers called Sharfman a "weak sister," and said one Commissioner inquired as to whether Sharfman could be taken off case.

Widely publicized Natvig testimony stirred demands for investigations. Chairman Magnuson (D-Wash.) said his Senate Commerce Committee will take a "careful look at what happened in this case." He indicated that question may be handled in special probe by communications sub-

committee headed by Sen. Pastore (D-R. I.). But there were also strong signs that whole issue of FCC's handling of Lamb case will be explored by Committee Wed. Feb. 23 during confirmation hearings on Chairman McConaughy as member of FCC.

WPRO-TV, Providence, R. I. (Ch. 12), hoping to get going after being held up for over a year by protests of WNET (Ch. 16), applied for STA this week. Request was filed after both FCC and court turned down WNET's appeal that WPRO-TV be kept from starting—though court ordered expedited hearing to be held early in April because of "substantial and serious" questions involved. WNET has filed opposition to WPRO-TV's latest request for STA. WPRO-TV is requesting permission to build interim 557-ft. Blaw-Knox tower, use 12-bay GE antenna; 50-kw GE transmitter is on order.

KCOR-TV, San Antonio, Tex. (Ch. 41), awaiting FCC action on request for Ch. 14 allocation, has changed test pattern target to first week in May, according to chief engineer Marvin L. Fieldler. Work on 558-ft. Truscon tower begins early in March; RCA 1-kw transmitter is due about March 15. It plans to be all-Spanish outlet, using films and kines from Mexico and other Latin-American countries to supplement U. S. films. Base hour will be \$250. Rep will be Richard O'Connell.

WNDU-TV, Notre Dame-South Bend, Ind. (Ch. 46), begins construction next week, has test patterns scheduled for late June-early July, followed by programming July 15, writes v.p. & gen. mgr. Bernard C. Barth. It will use 500-ft. tower, has RCA equipment, including 2 field camera chains, ordered for delivery within 60 days. Base rate not set; rep not chosen.

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CKBB-TV, Barrie, Ont. (Ch. 3), which recently got license after being delayed by *Toronto Telegram's* protest (Vol. 10:44), hopes to start programming Sept. 15, reports owner Ralph T. Snelgrove. It will use Stainless tower, hasn't ordered other equipment yet as chief engineer Jack Mattenley plans U. S. trip to check equipment being used by smaller stations. Canadian rep will be Paul Mulvihill.

CBC is now working on permanent studio-office building for its CBHT, Halifax, N. S. (Ch. 3), now operating from Old College St. school building. The L-shaped structure at Bell Rd. & Summer St. will include 40x60 studio.

Attorney General Brownell, in answer to press conference question this week, said Justice Dept. had no plans to take action against Mrs. Natvig. This drew rebuttal from Senate investigating subcommittee chairman McClellan (D-Ark.), who said: "I think if there is any violation of the law, the Justice Dept. should take notice of it and I say with equal emphasis that it is the duty of the FCC to refer it to the Justice Dept."

Published reports that WGR-TV, Buffalo (Ch. 2), was being considered for purchase by Storer led station's board of directors to release resolution Feb. 17 stating that station is not for sale and will not release any figures to anybody preposing to submit bid. If Storer should acquire another station, as indicated by original story, it's presumed he would dispose of either his WAGA-TV, Atlanta (Ch. 5) or WBRC-TV, Birmingham (Ch. 6).

"Lack of diligence" in construction of WHTT, Wilmington, N. C. (Ch. 3) was cited by FCC in setting grantee for hearing starting March 18. Commission said it wasn't satisfied with CP-holder's explanation that it couldn't build because of "conspiracy" between CBS and Jefferson Standard Bestg. Co.

**Color Trends & Briefs:** Far from cutting colorcasting schedule, CBS-TV's current objective, according to pres. Jack Van Volkenburg, is to hike output to 3-3½ hours a week. He emphasizes that this is an objective, not yet definitely fixed. Aim, he says, is 2 night color shows a week, plus something every day in daytime hours, starting in April and running rest of year. Schedule will probably comprise existing shows converted to color.

NBC-TV is pursuing policy of "big" color shows, meanwhile, and is currently giving tremendous buildup to March 7 *Peter Pan* on *Producers' Showcase*. Two-hour show, starring Mary Martin and Cyril Ritchard, is being transferred bodily from successful Broadway run to color studios. As part of promotion, some 5000 dealers for sponsors Ford and RCA were invited to studios of 83 stations which carried closed-circuit colorcast Feb. 15, featuring appearances of show's stars, NBC exec. v.p. Robert W. Sarnoff and NBC-TV network v.p. Thomas A. McAvity.

It's presumed NBC-TV will increase color schedule if CBS-TV does, and many hope that ABC-TV will get into color swim—at least to extent of colorcasting portions of the tremendously popular *Disneyland*, some of which is already on color film.

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Technical quality of color transmission, meanwhile, has so improved in recent months that poor or even fair results are exception. NBC's efforts have been uniformly quite good for some time, but CBS's improvement after rather rough start has been particularly noteworthy.

Among recent shows, NBC's "The Women" on *Producers' Showcase* Feb. 7 and "Pinafore" on *Max Liebman Presents* Jan. 30 drew high critical praise while CBS's "The Show Off" on *Best of Broadway* Feb. 2 was excellent, vastly improved over CBS shows year ago. CBS's *Shower of Stars* Feb. 17 had some of finest color seen to date—exceptional fidelity, lighting and registration, with cameras almost perfectly matched. NBC's film show *Norby* has been spotty, some sequences very good, others below the quality one would expect from sponsor Eastman Kodak. Eastman is currently considering whether to "go live" and whether to continue show in color.

Principal defect in color today remains improper balance between cameras. Even in best transmissions, at least a slight difference is perceptible—but engineers have whittled variations down so that they're seldom objectionable. Officials don't deny problem exists, but they point out that much of problem lies in receiver adjustment rather than solely in cameras. O. B. Hanson, RCA operations engineering v.p., notes that average viewer has tendency to turn contrast and chroma controls too high, accentuating camera differences. Our own experience bears that out. Natural tendency is to use a heavy hand with color controls. Experimentation proved, however, that conservative dial-twiddling produces much more natural results.

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Color TV is too hoity-toity for mere beer guzzlers, according to New York's Paramount Hotel. In its new "Curtain Call Lounge," it has installed RCA 21-in. color set and invites viewer to partake of "malt beverages from no less than 9 nations" so that he won't be "just another ordinary beer drinker."

Enterprising Klaus Landsberg, v.p.-mgr. of Paramount's KTLA, Los Angeles, says he's willing to feed colorcast of next April's A-bomb test to networks if they're interested. KTLA has handled 3 previous blasts, micro-waving them from Nevada test sites.

Feb. 21 week network color schedules: NBC-TV—Feb. 23, *Norby*, 7-7:30 p.m., and *Kraft TV Theatre*, "Emperor Jones" starring Ozzie Davis, 9-10 p.m.; Feb. 27, *Max Liebman Presents*, "Big Time" starring Milton Berle, Martha Raye & Ray Bolger, 7:30-9 p.m.

"Commprovision"—a wired TV system similar to community antenna systems except that it's to originate all programs locally—is latest project for reaching communities in dead spots or otherwise beyond the range of stations. New company organized to exploit field is Trans-Community Television Network Inc., 141 El Camino, Beverly Hills, Cal. Pres. is Jerome L. Doff, attorney, who states that it's strongly backed; only other principal disclosed to date is Allen Lane, ex-McClatchy and onetime Ventura (Cal.) station operator, who is working on technical details with RCA, from whom equipment is being ordered. According to Doff, first test town is Bishop, Cal. (pop. 2891), now blanked out by Mt. Whitney, and 20 or more additional communities will be disclosed in a few weeks. Doff contemplates that networks, ad agencies and packagers will make shows available for such "captive" audiences. Subscribers are to be charged \$80 for installation plus not more than \$10 monthly fee. As advertising revenues rise, Doff says, plan is to drop fee to \$2 or \$3 monthly. Systems are to originate all programs through live & film cameras and slide equipment—unlike community TV systems which receive all their programs from regular TV stations and relay them to subscribers through cables. Among community antenna systems, there's one exception, apparently precisely what "Commprovision" has in mind. It's system in Ketchikan, Alaska (see *TV Factbook No. 20*, p. 408) which feeds some 350 subscribers solely with own originations—using Dage cameras and Holmes 16mm projectors. Cost of each "Commprovision" installation is estimated at \$35,000, including first-year operation; no licensed operators are required, and no FCC authorization is needed, inasmuch as operation is purely intrastate, involving no radiation.



Uhf propagation study of NBC's old experimental station in Bridgeport, Conn., has been published by FCC as TRR Report No. 2.4.13. Commission made field strength studies of 534.75-mc transmissions at 30-240 mi. with help of RCA, Bureau of Standards, U of Connecticut and FCC monitoring bureaus. Copies are available from Technical Research Div., Room 7358, New Post Office Bldg., Washington.

A "summer incentive plan" to encourage partic. purchases on *Today*, *Home* or *Tonight* during summer was disclosed this week by NBC-TV. Under plan, an advertiser who buys at least 7 partic. on one or combination of the 3 shows between May 30 and Sept. 2 will be given additional free partic. during summer. Number of free spots is based on scale of paid purchases, ranging from one free partic. for 7-11 paid spots to 18 free partic. for 52-54 paid.

Tackling conversion problem, Storer has named Ralph C. Powell, TV trade veteran, as "director of trade" for WGBS-TV, Miami (Ch. 23). He has charge of program to boost conversion and uhf set sales, involving fixed conversion price of \$29.95 arranged with local dealers and promoted through WGBS-TV newspaper ads and on-air spots.



First organization of kind is new Southern California Color TV Dealers Assn., group of some 100 dealers aiming to promote public attendance at dealer color demonstrations, increase number of color shows, etc. Officers: Everett M. Wren, Barker Bros., Los Angeles, pres.; Herman Kennedy, Whittier Radio & TV Co., Whittier, v.p.; Marvin Stuthein, Marvin's TV & Appliance Co., Fullerton, secy.-treas.

RCA reports 3-V color film cameras shipped Feb. 4 to WSAZ-TV, Huntington, W. Va.; Feb. 9 to KRON-TV, San Francisco and WCHS-TV, Charleston, W. Va.; Feb. 14 to WSM-TV, Nashville.

**RETMA LEADERS ASSAY MARKET AND PROBLEMS:** RETMA chairman Max F. Balcom told the N.Y. Society of Security Analysts this week that at the end of last year "7 out of 10 families had become customers of our industry." He went on:

"By the end of this year, it will approach 8 out of 10. Lest you think our potential is shrinking, let me quickly add that we look forward to a rising market for replacement and second sets. For example, during 1955 we expect nearly 25% of the estimated 6,300,000 TV set sales to the public to be to former customers.

"Moreover, there are still about 15,000,000 households without any TV sets. So we are still far short of saturation. As advances in automation, printed circuitry and transistors take place, lower costs will bring TV to an increasing number of families. Nearly 1,000,000 new families arise each year to broaden our market."

There you have the judgment of at least one of the ablest of industry leaders -- and he's joined by many others. This week, more than 200 RETMA members gathered for their annual midwinter conference in N.Y. They discussed the market outlook, prices, color -- and such critical problems as the proposed removal of excise tax on uhf receivers (see story, p. 12), fight to halve 10% excise tax on monochrome sets and eliminate it entirely on color sets, suggestion for additional tariff relief.

It was generally conceded that the 7,300,000 TV sales of 1954 probably will not be equalled this year -- not unless second set and replacement sales show an unexpectedly high upturn. This despite good start in production, with some 700,000 TVs sold by the factories in Jan. as against 500,000 in Jan. 1954.

As for prices, it's still too early to detect any upward trend on industry-wide basis -- albeit Philco and Hoffman have raised a few sets. Hiking prices in first few months of year seems to go against the grain of many set makers. But if the market holds up, they indicated, it's altogether likely that prices will edge upwards to alleviate today's admittedly tight price structure at all levels.

Color continued to evoke bearish comment -- nobody seeing much chance of moving many sets this year in face of high costs, insufficient programs and public apathy. There seemed to be agreement that the real merchandising of color was at least a year or 18 months away even if the excise tax on color sets is removed.

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President Glen McDaniel's report on RETMA's efforts to get the 10% excise tax cut in half -- as some other appliances succeeded in getting from last Congress -- was reported out of closed sessions to have been quite gloomy. So was his estimate of the prospect of eliminating tax on color sets. He discerned little disposition in Congress to cut any excises this year, but held out some hope that that proposal to do away with tax on color might be more favorably received.

On seeking tariff relief to offset recently accelerated influx of foreign products (Vol. 11:1), RETMA board considered recommendation to ask Dept. of Commerce to split up its single tariff schedule on TV-radio-components into several groupings so that RETMA can ask relief only on radios and parts, on which the competition from overseas, particularly Britain and West Germany, has been greatest.

But RETMA officials expressed doubt that an impressive case for relief could be made out for an industry which, over-all, is enjoying something of a boom.

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TV production totaled 171,434 week ended Feb. 11, almost same as the 171,624 turned out in preceding week but up from 154,421 in week ended Jan. 28. It was 6th week of year, brought output to 1,000,000, compared to 630,000 in same 1954 period.

Radio production totaled 261,827 (145,136 auto), compared to 264,693 in week ended Feb. 4 and 226,054 week before. It brought 6-week radio output to 1,530,000, compared to 1,300,000 in corresponding period year ago.

**NEW CONGRESS PUSH FOR UHF-VHF SETS:** One way to help uhf now is to stop the flow of vhf-only sets into the marketplace. There's virtually unanimous agreement on that -- though there are vast differences of opinion as to how much it would help.

Exemption of all-channel sets from 10% Federal manufacturers excise tax is most widely espoused method of accomplishing that objective -- and because it has garnered wide industry support it will be pushed immediately by TV-wise lawmakers.

Still, it's likely to meet strong opposition from economy-minded Congressmen -- because it's "special interest" legislation. Nevertheless, Capitol Hill observers believe it can be passed this session if public support is strong enough.

Bill was introduced this week by Rep. Ikard (D-Tex.), embodying proposal made last year by Sen. Johnson (D-Colo.) and endorsed by Senate Commerce Committee. Ikard measure (HR-4070) would exempt from excise tax any TV receiver "which, at the time of sale, is capable of receiving TV broadcasts in all of the uhf channels." Bill also provides that if set is a TV-radio combination, tax shall not apply to TV portion of set. Also pending is HR-1814, introduced by Rep. McCormack (D-Mass.), embodying all excise tax proposals which died with last Congress, including plan for \$7 tax credit for every set containing a uhf tuner (Vol. 11:7).

Ikard is in good position to push the tax-exemption proposal -- since he is member of Ways & Means Committee, which has jurisdiction over tax legislation.

Tax-exemption proposal was endorsed by recent Plotkin report (Vol. 11:6-7), got less hearty support in this week's Jones report (see p. 1). While Jones conceded such a plan "conceivably" could benefit uhf, he said it offers "insufficient incentive," and urged development of "some other means to encourage manufacturers of TV receivers to shift to production of all-channel receivers only." He didn't elaborate, but both he and Sen. Bricker said at press conference this week that they oppose extra "subsidies" for all-channel sets as well as laws against interstate shipment of vhf-only receivers (as proposed by Comr. Hennock and others).

NARTB was quick to offer support for HR-4070, pres. Harold Fellows writing Rep. Ikard he was "deeply gratified" by bill, and that he was in favor of anything which relieved the burden on uhf stations and would provide for widest expansion of broadcasting. RETMA's set div. exec. committee under H. Leslie Hoffman, meeting in New York this week, also endorsed excise tax exemption for all-channel sets.

Other plans are in the works for promotion of all-channel set program. Chairman Magnuson (D-Wash.) of Senate Commerce Committee is now considering revival of the Potter subcommittee's plan to meet with set makers and get voluntary agreements to discontinue output of vhf-only models.

This was hottest topic of discussion among set makers at RETMA's midwinter conference this week -- as word leaked out that Magnuson may seek meeting with manufacturers. Consensus of the set makers was: (1) As long as it costs more to make all-channel set than vhf-only set, we can't agree to turn out the higher-priced units exclusively. (2) We must be extremely cautious not to enter into any agreement that smacks of restraint of trade. (3) If excise tax were removed, production of vhf-only receivers probably would end.

As to "restraint of trade" worries, it's not clear just how a conference of manufacturers called by a legislative body could be construed as violation of anti-trust laws. There's no question that a Senate committee has authority to ask the manufacturers to appear. Question of "restraint" was raised last year, and Potter asked Justice Dept. clearance for such a meeting and agreement.

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Veteran Wireless Operators Assn., at 30th reunion banquet in N. Y. Feb. 19, conferred awards on ex-President Herbert Hoover, along with these industry notables: Monte Cohen, General Instrument Co.; Arthur Batcheller, FCC; Capt. V. H. C. Eberlin, USN; F. L. Henderson, American Cable & Radio Corp.; Harry W. Houck, Measurements Corp.; Col. A. H. Read, communications officer, British Embassy; E. H. Rietzke, Capitol Radio Engineering Institute; F. M. Ryan, AT&T; T. P. Wyncoop, Radiomarine Corp. of America.

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RETMA set div. this week elected as directors Parker H. Ericksen, Crosley, replacing Leonard F. Cramer, resigned, and Lawrence G. Haggerty, Capehart-Farnsworth, replacing Fred Wilson, now IT&T industrial relations v.p. Seymour Mintz, CBS-Columbia, was elected to exec. committee, replacing Louis Hausman, now CBS Inc. v.p.

Market dates to remember: Western Summer Market, July 18-22 at Western Merchandise Mart, San Francisco; Western Electronic Show & Convention, Aug. 24-26 at San Francisco Civic Auditorium.

**Topics & Trends of TV Trade:** One way to sell more higher priced TV sets—perhaps even more color receivers—is to promote greater use of consumer credit, in opinion of Wm. J. Cheyney, exec. v.p., National Foundation for Consumer Credit, Washington, who tells us he's trying to get TV-radio-appliance manufacturers to join in series of institutional magazine ads stressing that purchases can be made on credit. Also planned by his organization is campaign of TV-radio spots on 200 stations designed "to develop understanding and intelligent use of credit and to awaken the doubting Thomases to the fact that credit is part of our private economy and not a firecracker explosive, a dangerous adjunct to be avoided."

Mr. Cheyney estimates some 65% of current TV-radio-appliance purchases are on credit, but believes number of purchases and percentage of those using credit could be substantially increased by proper promotion. "There are 10,000,000 families in America who refuse to buy any consumer durable goods on credit," he said, "so many of them are simply doing without TV, radio, appliances and other items which have become almost necessities. And they're not poor people, either. Many have incomes between \$7500 and \$10,000 a year."

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CBS-Columbia within last few months has gotten \$5,000,000 in govt. contracts, its first since acquiring old Air King operation about 3 years ago and, according to pres. Seymour Mintz, intends to become a major factor in govt. business. First items are a new hand-held transceiver for the Army Signal Corps and a new shipboard transmitter for the Navy. These were developed by CBS Laboratories Div., headed by Dr. Peter Goldmark. Handling govt. sales is Robert K. Hartman, ex-Polarad, who served as a contracting officer with the Signal Corps during World War II and the Korean War.

Company's current quarter sales as a whole, according to sales v.p. Harry Schecter, are best in its history, will be 50% better second quarter. While the "CBS" brand on TV sets hasn't taken hold as fast as expected, and color has moved more slowly than anticipated, accent now is on building up a distributor organization, mainly independent but in some cases company-owned. Own branches are now operated in New York, Boston, Philadelphia, Detroit, Dallas. One of dealer inducements is so-called ADD plan (Additional Dealer Discount) whereby 2-6% added discounts are given, according to volume purchased, to provide more liberal trade-in allowances on purchases of new CBS sets (Vol. 11:6). Firm's avowed aim is gain of 5% of the TV market.

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Lower Canadian TV set prices would be immediate result of removal of 15% excise tax, Canadian RTMA told Finance Ministry last week in formal brief presented by gen. mgr. Stuart D. Brownlee & W. H. Jeffrey, Philco, chairman of Canadian RTMA's govt. acts & regulations committee. With 25 or more manufacturers competing in Canadian TV market, brief noted, these price reductions "will bring TV within reach of hundreds of thousands of Canadians" who cannot now afford it.

Philco increased price by \$10 on its only 17-in. table model, raising mahogany version from \$150 to \$160, blonde \$160 to \$170. It was its second price increase in 2 weeks, four 21-in. table models having been previously raised by \$10 (Vol. 11:6). Added to line this week were a 24-in. grain mahogany console at \$280 & open-face grain mahogany console at \$330, blonde \$340.

Hoffman Electronics raised prices by \$10-20 on several 21-in. models introduced last month, gen. sales mgr. Walter L. Stickel citing need for wider profit margins by factory, distributor & dealer.

A "mint of money" can be made in high-fidelity by the dealer who can merchandise it intelligently, in opinion of Wybo Semmelink, mgr. of radio div., North American Philips Co., N. Y., distributor of Philips of Eindhoven radios & phonographs. Addressing southeastern regional conference of National Assn. of Music Merchants, he advised dealers to forget about high-fidelity components business and concentrate instead on selling established lines of complete high-fidelity phonographs in a variety of qualities and prices. He described typical "hi-fi" fans as "fiends to a great extent" because they are never satisfied with what industry has to offer but are constantly seeking new gimmicks to accentuate tones which are purposely subdued. Such fans, he said, buy almost exclusively from parts jobbers and are little more than headaches for dealers who seek their patronage. Far better, he said, to stock complete high-fidelity phonographs selected with "your ear as a listening post." Even when high-fidelity instruments are on floor, "be prepared for the worst," he cautioned. "In your long career, you have never sold anything that has created such numbers of experts." Wm. Gard, exec. secy. of NAMM, disclosed that Washington law firm of Ford, Bergson, Adams & Borkland has been retained to represent music trades in urging Congress to repeal 10% excise tax on musical instruments.

TV set servicing in Britain is treated in January *Radio & TV News*, in article by John D. Burke, former New York serviceman who has worked on sets in London for 1½ years. He notes ease of servicing sets equipped for one channel and oriented to one station, says vertical polarization minimizes airplane flutter. AM sound and very simple sync circuits also contribute to ease of servicing. On other hand, variety of receiving tubes is so great as to produce headaches. Serviceman rarely goes out on call; whole set is usually brought to shop. Set owner pays a full day's wages of serviceman for job, regardless how small. As for working conditions, Burke likes 9-6 hours, no night work. Though wages are very low by U. S. standards (\$4.20-\$5.60 a day), he writes "one can live quite comfortably" because living expenses are relatively small. Servicemen earn more than bus drivers, railroad engineers, many factory workers.

Muntz TV has earned \$300,000 after taxes since March 1954, when court proceedings began on its petition for reorganization under Chapter X of Bankruptcy Act (Vol. 10:10), said pres. Earl W. Muntz this week in personal report to U. S. District Court in Chicago. He said Chicago plant's "most feasible economic capacity" is about 500 TV sets a day, or 10,000 a month. Muntz currently has about 100 independent exclusive dealers, of whom about 4 handle 50% of company's sales, he said. He said too that company has spent no money for advertising and does not plan to do so through March, although some of its dealers are conducting very extensive advertising campaigns. About 1,115,000 shares of Muntz common are outstanding, of which 400,000 are held by general public, balance distributed among Mr. Muntz (who holds 150,000), investors, co-workers and friends.

New line of German radios is being marketed in U. S. under "Nora" brand name by Heliowatt Werke, Berlin. Maruth Laboratories, N. Y., has been appointed import agent, has in turn created Nora Electronics Inc., 351 Bleecker St., N. Y. (H. Marshall Scolnick, pres.) as exclusive U. S.-Canadian sales agent. First offering of "Nora" radios comprises 3 table models, console combination & chair-side high-fidelity phonograph. Prices were not disclosed.

Special TV set, using only 3 receiving tubes and designed for community TV systems, is described in Feb. *Wireless World* of London by EMI's E. J. Gargini.

**Trade Personals:** John K. McDonough, ex-Sylvania TV-radio gen. mgr., joins General Instrument Corp. as v.p. of its F. W. Sickles div. and sales director for both parent company & subsidiary; Edward A. Freed continues as gen. sales mgr. . . . Rollie Sherwood, ex-Hallicrafters v.p., has organized Sherwood Sales Inc., manufacturers reps, 230 N. Canal St., Chicago, with branches in N. Y., Cleveland & San Francisco; associated with him are Robert E. Rathford, ex-General Dry Batteries Inc. and R. G. Sidnell . . . W. O. Spink promoted to equipment sales mgr., Sylvania electronic products sales div., N. Y., reporting to gen. sales mgr. D. W. Gunn . . . Leonard Maher named NARDA field secy. in charge of member services, replacing Mrs. Irene Brown, resigned . . . Charles Condikey, ex-DuMont & RCA, named Westinghouse TV-radio district mgr. for upper mid-Atlantic region, Philadelphia; Charles J. Klein, ex-CBS-Columbia & Motorola, named mgr. of lower region, Baltimore . . . Robert Windt, CBS-Columbia director of public relations & sales promotion, takes on additional duties of radio sales mgr. . . . Phil Stone, ex-Philco, resigns as CBS-Columbia regional mgr. in Denver, to enter distribution business in Phoenix . . . George R. Mather and Wm. Holroyd, both ex-Canadian GE, have formed Broadcast & Communications Consultants Ltd., Toronto . . . Wm. Balderston, Philco chairman, re-elected to National Industrial Conference Board . . . Wm. Paton named purchasing agent for all DuMont manufacturing divs. . . . Raoul Frye resigns as engineering v.p., National Co., Malden, Mass.; Eugene F. Grant, ex-W. L. Maxson Corp., N. Y., named engineering director . . . Sam F. Arn, ex-GE & Majestic Radio, named engineering sales mgr., Packard-Bell technical products . . . W. R. Armstrong named sales mgr., photoswitch div., Electronics Corp. of America, Boston; Thomas Weldon named ECA European sales director, headquartering in Frankfurt, Germany . . . Charles R. Lane, ex-Gabriel Electronics, named regional mgr. of Andrew Corp., in charge of new branch office at Westwood, Mass. . . . Arthur C. Davis, founder & chief engineer of Cinema Engineering Div., named managing director of Aerovox's new west coast research lab . . . B. G. H. Rowley, ex-Marconi representative in U. S. & Canada, appointed mgr. of its maritime div., Chelmsford . . . Wm. Dubilier, founder & first v.p. of Cornell-Dubilier, awarded first annual Gano Dunn medal by Cooper Union for outstanding professional achievement by an alumnus . . . Carl G. Steinecke, ex-GE, named purchasing agent, A. S. Backus works mgr., Mycalex Corp.

**DISTRIBUTOR NOTES:** CBS-Columbia establishes new factory branch, CBS-Columbia of Detroit, replacing Rutherford Distributing Co., whose pres. Wm. C. Rutherford remains as gen. mgr. . . . DuMont: Elliott-Lewis Corp., 16th & Hamilton Sts., Philadelphia (T. H. Lewis Sr., chairman) . . . Bendix Radio: Max Fischman Co., 1141 Penn. Ave., Pittsburgh, & Kilsby Refrigeration Co., 633 Sheridan St., Honolulu (Herbert Stielau, gen. mgr.) . . . Olympic Radio: Master Equipment Co., Washington, Pa. . . . Cunningham Distributing Inc., Albuquerque (Admiral) establishes branch at 2225 Mills St., El Paso (Jack Burnett, mgr.), replacing Irion Co. . . . O'Donnell Distributing Co., Syracuse (Crosley-Bendix) opens branch at 72 N. Union St., Rochester (Ward O'Hara, mgr.) . . . Admiral Distributors Corp., Pittsburgh, appoints Larry L. Malin gen. mgr.; he's ex-gen. mgr. of Admiral Baltimore distributor, Maryland Wholesalers Inc. . . . Midwest-Timmermann Co., Des Moines (DuMont) elects C. J. Herkes sales v.p. . . . Hamburg Bros., Pittsburgh (RCA) appoints Carl Hamburg sales director . . . Harold N. Lieberman Co., Minneapolis (Capehart-Farnsworth) appoints B. F. Mondale sales mgr. . . . Westinghouse Electric Supply Co., Chicago, moves consumer products div. to 6500 W. Cortland St.

**Financial & Trade Notes:** One of reasons why picture people aren't worrying so much any more about the inroads of TV: Columbia Pictures, for 6 mo. ended last Dec. 25, first half of its current fiscal year, showed net profit of \$2,823,000 (\$3.40 per share) compared with \$1,910,000 (\$2.24) in 26 weeks ended Dec. 26, 1953. And the bible of show business, *Variety*, prints this table Feb. 16 showing uptrends in gross revenues accruing to major film & theatre companies over 5-year span—noting that “the drop in circuit tallies was due to shrinkage in theatre holdings in accordance with divorcement and divestiture court decrees and does not reflect business conditions”:

|                  | 1950                 | 1953                 | 1954                 |
|------------------|----------------------|----------------------|----------------------|
| Columbia         | \$ 57,200,000        | \$ 60,300,000        | \$ 80,200,000        |
| Loew's           | 179,300,000          | 177,600,000          | 183,100,000          |
| National         | 67,800,000           | 63,900,000           | 64,400,000           |
| Paramount        | 81,800,000           | 110,300,000          | 115,000,000          |
| Stanley-Warner   | 71,200,000           | 48,900,000           | 66,200,000           |
| 20th Century-Fox | 90,800,000           | 105,700,000          | 107,000,000          |
| Universal        | 55,600,000           | 70,500,000           | 77,900,000           |
| Warner Bros.     | 68,400,000           | 68,900,000           | 70,100,000           |
| <b>TOTALS</b>    | <b>\$672,100,000</b> | <b>\$716,100,000</b> | <b>\$763,900,000</b> |

The 1954 figures, says *Variety*, are estimates in the cases of Paramount and 20th Century-Fox; intentionally omitted was American Broadcasting-Paramount Theatres because the AB-PT merger made comparisons impossible.

\* \* \* \*

Consolidated Television & Radio Broadcasters Inc., Bitner firm which placed some of its stock on market in Nov. (Vol. 10:48), earned net profit of \$1,253,660 after taxes of \$1,407,500 in fiscal year ended Nov. 30. Newly issued report shows broadcasting and other revenues were \$6,777,194, operating expenses \$2,728,427, selling, administrative & other expenses \$2,671,256. It was first annual report for new company, but same group showed operating revenues of \$6,480,208, net income of \$824,253 in 1953 fiscal year, according to SEC prospectus which also listed revenues & earnings for each year from 1947 (Vol. 10:48). Firm's latest acquisitions are share-time Ch. 11 stations WTCN-TV & WMIN-TV, with WTCN radio, in Minneapolis-St. Paul, which it proposes to combine (Vol. 11:5).

**Dividends:** Avco, 10¢ payable Feb. 24 to stockholders of record Feb. 7; Tung-Sol, 25¢ March 2 to holders Feb. 15; Zenith, 50¢ March 31 to holders March 10; Canadian Marconi, 6¢ May 2 to holders March 15; Radio Condenser Co., 5¢ March 21 to holders March 1; Philco, 40¢ March 12 to holders March 1; Magnavox, 37½¢ regular quarterly plus 5% stock March 15 to holders Feb. 26; Clevite Corp., 25¢ March 10 to holders Feb. 28; Indiana Steel Products, 100% stock plus 22½¢ on new March 10 to holders Feb. 28; Storer Bestg. Corp., 30¢ on new March 1; Cornell-Dubilier, 30¢ regular plus 20¢ extra March 8; Hazeltine, 35¢ March 15 to holders March 1; American Bosch Arma, 25¢ April 15.

Official Films Inc. pres. Harold L. Hackett, reporting company now has 3000 stockholders, states in Feb. 4 letter to them that both sales and earnings for fiscal year ending next June 30 will be larger than those of preceding year, when sales were \$656,401, net income \$317,172, deficit in earned surplus \$400,062 (Vol. 10:39). Currently, it's distributing *My Hero*, *Secret File U.S.A.*, *Colonel March of Scotland Yard*, *Terry and the Pirates*. Latest properties acquired are *Robin Hood*, *The Scarlet Pimpernel*, *This Is Your Music*, *The Star & the Story*.

P. R. Mallory & Co. earned \$1,071,803 (\$1.20 a share) on sales of \$54,630,091 in calendar 1954, compared to \$2,547,813 (\$3.72) on \$70,874,347 in 1953. For quarter ended Dec. 31, earnings were \$550,755 (76¢) on \$15,167,317 vs. \$390,074 (54¢) on \$15,462,676 in corresponding 1953 period.

Income from TV-radio operations of General Tire & Rubber Co. subsidiaries, principally General Teleradio, totaled \$1,376,855 (\$1.12 a share) last year, reports pres. Wm. O'Neil.



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No. 26

## Television in Great Britain

### EXTENSION OF REMARKS

OF

### HON. CHARLES E. POTTER

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, February 11, 1955

Mr. POTTER. Mr. President, recently Martin Codel, publisher of *Television Digest*, an authoritative news service specializing in the broadcast and electronics field, visited Great Britain and had an opportunity to look over the television and electronics developments in that country.

On his return to the United States, Mr. Codel wrote a number of articles on this subject for his publication. I ask unanimous consent to have printed in the Appendix of the *RECORD* several articles that appeared in the November 6, 1954, issue of *Television Digest*, which deal with television in England.

There being no objection, the articles were ordered to be printed in the *RECORD*, as follows:

[From the *Television Digest* of November 6, 1954]

#### BRITISH TO PROFIT BY UNITED STATES EXAMPLE

Booming Britain is currently enjoying a flourishing TV trade that's virtually certain to be stimulated even further by the introduction of commercial TV as an additional service, scheduled for September 1955.

First competition against British Broadcasting Co.'s one-channel service, more choices of programs, greater opportunities for talent and personnel, probably even an expanded program day from the present 3-10:30 p. m.—all this should, if the American experience means anything, bring about increased set sales and bigger audiences.

More license revenues, at £3 year (\$8.40) for a TV plus radio, might even permit the noncommercial BBC to undertake its own cherished plans for a second service, eventually giving Britons a choice of 3 programs.

It's our conviction, after many talks with many people in all walks of British life during a 5-week, 1,600-mile tour of England, Scotland, and Wales, that the citizenry and the business community preponderantly welcome a fair try for the new ITA (Independent Television Authority) recently authorized to set up TV stations and lease time segments to program contractors who in turn will sell commercials to sponsors.

They want it despite strong opposition by the Labor Party and high churchmen to legislation passed by Winston Churchill's Conservative government. They want it because they dislike monopoly no less than do their American cousins—and, any way you spell it, Government-chartered BBC is a monopoly often accused, fairly or unfairly, of giving the people what it thinks is good for them rather than what they may want. Moreover, the British are an ad-minded people—so much so that—

1: They watch film and slide commercials in theaters, big and little, into which they have paid admission—and they seem to like them. These are hardly different from the kind they will soon see on TV; indeed, piled

on top of one another, they're much more blatant in the theater than are most of our TV spots.

2: They're accustomed to commercial radio from Normandy and Luxembourg, with British advertising dominant. This audience is greater than seems apparent, for the European wavelength interference problem is so great, aggravated by Russia, that much of Britain gets poor AM signals—so much that 9 new FM transmitters have been projected by the BBC in the 88-95-megacycle band. The example of FM in Germany, with 94 stations, is said to apply much more realistically than that of the United States.

3: They've heard a lot about the achievements of competitive American TV; they like such American programs as they occasionally see on BBC; they enjoy American films and dote on our film personalities. Moreover, the Government is so determined upon a free-enterprise policy that it refuses to subsidize another BBC service, though BBC's 3 radio services aren't in any danger of going into private hands.

4: British industrialists and advertising folk, among the smartest in the world, know that commercial TV will be a powerful force for creating wants and moving goods. The director of one of England's biggest ad agencies told us:

"I shudder to think what this powerful advertising force is going to do to our distributive system. Some of our people don't realize it, but they're due for such a huge demand for their goods that neither the production nor distribution system at the outset will be geared for it. Our people have been starved for the good things of life so long, have known austerity so long, that demonstrations of modern products we will give them on TV are going to create vast changes in our economy."

His agency, incidentally, handles the British account of a popular American beverage which has long used TV and radio here with telling effect.

Even the newspapers aren't overtly fighting TV, in fact, seem to place more emphasis on it as a news subject, both as to progress of the industry itself and as to critiques of programs, than ours do. (Daily program listings, of course, take up only about a half-inch of agate type, and there's plenty of TV set advertising.)

And the intellectual aversionists and clergy, who testified in Parliament to their abhorrence of commercialism, seem to be looking forward tolerantly to the second service, now that the die is cast. One reason may be the high caliber of ITA and of the men chosen to run it.

The hope generally shared, though perhaps not by all within BBC, which has a payroll of some 12,000 and an inevitable quota of jealous bureaucrats, is that commercial TV in Britain will profit by the example of America while avoiding our excesses and borrowing from our best; moreover, that it will provide wider sway for the nation's own vast reservoir of entertainment talent and business ability.

It could be that TV can help cement the precious affinity with America that, thanks to common language and kindred heritage, has so long prevailed in literature, in all the arts, in government and in law.

While in Britain recently we talked with scores of people—from topkicks at BBC and ITA to industrialists, advertising folk, jour-

nalists, and man in the pub—and in the 10 days since our return we've compared notes with American conferees who also have had a look at British TV. Our conclusions are much the same:

The average Briton isn't much different from the average American and, once he tastes the sweet fruits of competition, not even the powerful BBC nor the politico-clerical opposition to commercial TV can stop it. That is, of course, unless the ITA, the sponsors and the ad men muffle the ball in the early stages of the game. Our guess is that they're much too shrewd for that.

You read occasionally of British visitors coming over to study our TV structure, and there will be a lot more of them. The big American ad agencies, with London branches, have been quietly swapping visitors and personnel and ideas ever since ITA was authorized, preparing for the advent of commercial TV.

ITA hasn't yet decided much more than that it will have its first stations in London, Birmingham, and Manchester; that there will be more than one program contractor, though whether there will be more than one on each station or more than one splitting time on the whole group is as yet undetermined; that the "magazine concept" will prevail, i. e., the contractors and not the sponsors shall own the programs and determine their order; that there will be no censorship of program content or commercials, but that there must be none of the horrendous "Yankee excesses" (not merely of distasteful advertising but of crime and horror stuff) which they've heard so much about.

Headquarters not unlike the usual temporary quarters for new Washington Government agencies has been set up at 16 Wood's Mews, in London's Mayfair district, with Sir Kenneth Clark as chairman and Sir Robert Fraser as administrative chief.

Sir Kenneth, 51, was in this country for the last few weeks, looking into TV but primarily to receive an honorary degree from Columbia University. The citation will give you some idea of the man: "Cultural counselor of the people; chairman of Great Britain's Art Council; England's custodian of priceless works in years past as keeper of the Department of Fine Arts in Oxford's Ashmolean Museum, as director of the National Gallery, and as surveyor of the King's pictures; Slade professor of fine art at Oxford; advisor to the Victoria and Albert Museum and Covent Garden Opera Trust; gifted scholar of our timeless treasures."

A long hair? Not really, say those who know him; essentially he's a fine administrator, they say, and he struck us as a knowledgeable and open-minded executive still rather puzzled by the strange new task set before him. He's expected to maintain the tone and prestige of the new agency while Sir Robert Brown Fraser, 50, a graduate of Fleet Street newspapers, recently chief of the government's information services, provides the practical know-how. Sir Robert talks like a Madison Avenue agency executive, seems as high strung as a network vice president, acts like he's rarin' to go. His philosophy of advertising, as enunciated before an agency conference in Birmingham last week:

"I can think of no subject about which there is more nonsense talked than advertising. The idea that advertising is inherently degrading has always seemed to be ludicrous. As a point of view for a great nation that lives or dies by selling goods—

or failing to sell them—it crosses the imbecile and verges on the suicidal. [Advertising] will be an asset, worn as a bright feather in the cap of free TV, not as a soiled choker round the throat."

About his editorial concept of commercial TV, Sir Robert Fraser had this to say last month before the Institute of Practitioners of Advertising:

"Free television should now evolve on principles that will place it beside our free press, our free books, and our free arts as a normal part of the equipment of our free society. For this was, in essence, the great decision—to rest the future of TV, as far as initial physical shortages of transmitting stations permit, on the same foundations as those of a free press; to give freedom to individuals to offer TV programs to the public, as newspapers and entertainment are offered; to give freedom to the public to see the TV programs of their choice."

Backgrounds of the other members of the ITA board would seem also to assure a realistic and at the same time an adequate cultural approach: Sir Charles Colston, manager of Hoover, Ltd. (vacuum cleaners), vice chairman; Miss Margaret Popham, ex-principal of Cheltenham Ladies College; Miss Dilys Powell, movie critic of the Sunday Times; Lord Aberdare of Duffryn, president of Welsh National School of Medicine; Lt. Col. Arthur Chichester, chairman of big Moygashel textile concern; Sir Henry Hinchcliffe, director of Barclays Bank; Dr. T. J. Honeyman, director, Glasgow Art Gallery; G. B. Thorneycroft, director of the British Travel & Holidays Association; Lord Layton, publisher, News Chronicle and London Star.

ITA will run the stations and any day now should announce program contractors, but it will not have studios of its own or put on shows. Sir Kenneth Clark actually expects to run ITA with a staff of not more than 60, except for engineers who actually come under the postoffice department. His budget is £750,000 (about \$2,100,000) and he is expected to put the agency on a self-supporting and even profitable basis with that sum as the pump primer.

Commercial TV could profit the Government more than it realizes right now, for the fact is that many advertisers are itching for a crack at TV. Often cited is one experience of BBC. Though it is ever careful to avoid trade plugs, the name of a toy was inadvertently mentioned in a program; within a few days, it couldn't be had, and the toyshops were clamoring for more stock. Also, recently, BBC carried a tear-jerker about a stray pup; within 48 hours, just about every day pound in the country was emptied.

Ad men told us—and Sir Robert Fraser verified—that there were plenty of seekers after the program contracts. Someone said there were at least 25 applicants, all willing to take the risk in the face of the political dangers inherent in a system eyed askance by the Laborites and requiring that the contractor secure his own program originating equipment—all, that is, save transmitters. He must contract for studios, cameras, crews, programs, talent, etc., always unsure what a new government may decree. The applicants include theater men, newspapers, ad agencies, program builders, et al.

(EDITOR'S NOTE.—Since this article was written, ITA announced selection of the first 3 contractors: (1) Granada Theaters, operating a big chain of movie houses. (2) Broadcast Relay Services, operator of a widespread and vastly successful community antenna service, in association with Associated Newspapers, Ltd., publishing the Daily Mail and other papers. (3) Showman Maurice Winnick, in association with Kemsley Newspapers, Inc., publisher of the Sunday Times, Sunday Graphic, Sunday Chronicle and various other newspapers in England, Scotland, and Wales. They're all extremely well-heeled, but the fact that the newspaper owners are Tories has already provoked criticism that's expected to reverberate in Parliament. Two other major applicants, also strong in program fields, are Associated Broadcasting Development Co., headed by ex-BBC Chief, Norman Collins, and the newly formed Incorporated Television Program Co.,

which includes such stockholders as Alan Towers (Towers of London) and other big names in British entertainment. They await further decisions of ITA, and everybody still awaits details of plans for dividing the hours of the day or days of the week among the program contractors on its stations.)

So many eyes and ears will focus on their offerings, so outspokenly critical as a matter of habit are the British people and their influential press, so far committed is the Labor Party to doing away with commercial TV if and when it returns to power, that the burden is on industry as well as on ITA to do an acceptable job. If they do, we were told, no party in power would dare attempt to do away with commercialism. If they don't, a simple fiat of Parliament could switch the whole structure overnight to BBC.

As a writer in the News of the World of London put it: "The politicians were much more interested than the public in the why and wherefores of commercial TV during the endless debates in both Houses, and the public breathed a sigh of relief when at long last it proved possible to hand the demoralized babe over to the ITA. If the Cabinet now find the infant left on their doorstep overnight, I think we can expect a spot of bother."

Some 3,500,000 TV sets are in use in Britain today, most of them tunable only to 1 station. It's expected the total will be 4 million by end of this year, reach at least 5 million by end of 1955, then zoom to better than the current 1 million a year rate when the second service is under way. How much more, the set makers are reluctant to guess-timate. One told us, "We should have 10 million sets in use by 1960"—covering most of nation's nearly 15 million family units.

The American industry's postfreeze experience—that second stations in a community have invariably zoomed the rate of receiver sales and installations immediately—seemed to interest the British manufacturers greatly. But their native inclination is to move cautiously, to underestimate their market, not to pressure things. There are some who (familiar folk) don't like all this talk about color, mostly emanating from America and played up heavily in the British press, because it might rouse false hopes in the breasts of prospective buyers.

(The British color situation is a story in itself, about which more later. Suffice to state now that the post office department's TV advisory committee, under the chairmanship of Adm. Sir George Daniel, has been conducting closed hearings on the subject, figures a year or more of work ahead of it, can be counted on to take advantage of all of the American experience—without the pressure of politics, such as we had here, to bring color to Britain in a hurry.)

There is a problem, of course, of converting existing sets to receive 2 channels in lieu of one—but plans are afoot to do it at small cost, maybe as low as \$10 or \$15 and the fact that the second service's signals will come from the same towers as BBC's should help simplify the installation jobs. Most sets being sold today are equipped for the second channel, a hot selling point.

Some 30 receiver manufacturers share the 1 million annual output. They sell direct to retail outlets, for the most part. "Hire purchase," or installment selling, has only lately come back on a big scale, having been prohibitively restricted until recently.

Standard size is 14-inch, with trend lately to 17-inch. Only one 21-inch model was shown in the whole National Radio Show in London's Earl's Court in early September. There seems to be no push on to sell size, one manufacturer explaining that the extra cost isn't worth it for homes which mostly have small rooms.

We saw a scattering few TV shows while motor touring the country, but rarely did we find even the best-rated hotels TV equipped, although in a space of 3 weeks we were in a different one nearly every night. They seldom had TV's or radios in their lounges, and they looked at you as though you were crazy if you asked if they might be rented. Very few pubs had TV's either, though radios were commonplace in them.

Looks like the British TV industry is missing an extremely good marketing bet here.

Cost has been the major factor in set sales up to now—still is with most families, though the current high employment and prosperity wave, along with the vast publicity about TV in general and ITA and commercialism in particular, are making more and more people TV-minded. Receiver list prices have been brought down to an average of about \$150 for a 14-inch, \$200 for 17-inch, table models predominating. How can they be priced that low in the face of a government exercise of 50 percent? The answer is much simpler for the British than for us, albeit we offer good 21-inch sets at \$200 and under. The girls on the assembly lines earn £5 a week (\$14) and the men at the parts-stamping machines very little more.

Workmanship is the finest. The 14-inch set we rented for our London hotel room gave us a picture (on British 405-line standard) that for clarity and contrast and all-around quality is vastly better than what we generally see in the United States (on 525 lines). Signals came from a multiplex antenna atop one of the tallest hotel structures (10 or 12 stories) in Mayfair. Receiver was a Kolster-Brandes; remember the brand names from our old radio days here?

The explanation for the good picture seems to lie also in superb transmission facilities and plenty of power. Great Britain has magnificent engineers, second to none, and some of the best are in the BBC.

The programs you see are something again. By our lights, there's not on enough choice but a lack of pace and regard for timing that seems queer to American observer. The British people press are quite outspoken in criticism, sometimes unfairly so—for the fact is that quality and craftsmanship stand out in everything the BBC-TV people do; their dramatics are finished products, their news films excellent, their "outside" (remote) pickups extremely well done, especially sports.

But the day's program more often than not seems unbalanced, aiming at the few rather than the many. Consider these program listings for two different days, presumably typical, exactly as clipped from the London Times:

"3 p.m., Knights for a Day, British comedy film. 5, children's television. 7:25, weather. 7:30, news. 7:45, public inquiry: The trade unions—too much power, too little responsibility. 8:30, Music for You. 9:30, amateur boxing: London ABA versus Paris. 10:30, news (sound only).

"3 p.m., About the Home. 4, Watch With Mother. 5, children's television. 7:30, news. 7:55, Sportview. 8:15, Down You Go. 8:45, Shakespeare's Troilus and Cressida. 11:5, news (sound only)."

The home and children's shows weren't particularly exciting, the latter going in for American cowboy films as part of a potpourri intended to interest different juvenile levels. The Shakespearean production, running well over 2 hours, was a repeat of the identical show also carried in prime night time the preceding week. The news films and sports pickups were excellent. The news via sound only at 10:30 (or thereabouts, depending on whether the preceding program ended at that time or a little earlier or later) seemed peculiar, to say the least.

Twice we viewed classical soloists, one a pianist, one an operatic singer—and in each case the camera was focused on the artist without shift for the entire 30 minutes. It was very dull viewing despite the excellence of the talent. One Sunday night we watched the British version of What's My Line?—very popular and as much fun as the CBS-TV show; 2 of its 4 panelists were American, and it offered no prize money.

NOTE.—The 5-6 p. m. Children's Hour is followed by a long gap until the weather at 7:25 and news at 7:30. We asked a top BBC official why. His reply: "So that the mothers may prepare dinner and put the children to bed without any distraction from TV. The children have had it, and if they know the screen is dark they make no fuss about staying up for more."

CBS's "brightest star" is TV, writes Malcolm D. Brown, analyst of R. W. Pressprich & Co., in article in Feb. 14 *Barron's*, which estimates that more than half its revenues now comes from TV, including package programs. Radio accounts only for about one-sixth, it's stated, the balance coming primarily from phonographs, recordings, radio sets & tubes. *Barron's* carries this handy table of CBS financial data for the years 1935-54:

|      | Net Sales<br>(000,000) | Net Opr. Income<br>(000,000) | Profit Margin | Class A & Class B Earn. | Per Share  |                |
|------|------------------------|------------------------------|---------------|-------------------------|------------|----------------|
|      |                        |                              |               |                         | (a) Div.   | (b) Price R'ge |
| 1954 | \$280.00E              | \$23.70E                     | 8.5%E         | \$4.85                  | (a) \$1.90 | 88½-41½        |
| 1953 | 236.97                 | 21.48                        | 9.1           | 3.80                    | 1.85       | 50½-38½        |
| 1952 | 194.11                 | 14.90                        | 7.7           | 2.75                    | 1.60       | 40¼-33         |
| 1951 | 129.69                 | 13.42                        | 10.4          | 2.72                    | 1.60       | 35½-25¾        |
| 1950 | 87.97                  | 9.52                         | 10.8          | 2.39                    | 1.60       | 40¼-25½        |
| 1949 | 74.98                  | 7.72                         | 10.3          | 2.44                    | 1.40       | 29½-17½        |
| 1948 | 70.07                  | 7.46                         | 10.6          | 2.94                    | 2.00       | 32½-20¼        |
| 1947 | 74.26                  | 9.09                         | 12.2          | 3.45                    | 2.10       | 32½-21¾        |
| 1946 | 67.12                  | 8.95                         | 13.2          | 3.37                    | 2.30       | 47 -28         |
| 1945 | 59.41                  | 10.52                        | 17.7          | 3.11                    | 1.80       | 50½-31         |
| 1940 | 36.04                  | 7.42                         | 20.6          | 2.92                    | 2.00       | 26½-16         |
| 1935 | 15.40                  | 3.14                         | 20.4          | 1.65                    | 0.65       | —              |

E (estimated). (a) 2% stock dividend Dec. 20. (b) Price range of Class A stock. Class A and Class B are identical except as to voting power. Each class elects half of the directors. Class A stock may be voted cumulatively.

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Avco Mfg. Corp., without breaking down data for Crosley Bestg. Co. or Crosley & Bendix home appliance divs., reports earnings of \$3,639,436 (37¢ a share) on sales of \$375,405,820 in fiscal year ended Nov. 30, compared to \$3,427,185 (34¢) on \$428,326,201 in preceding fiscal year. Backlog of defense orders totaled \$200,000,000 Nov. 30.

Gabriel Co. reports 1954 net loss of \$87,391 (including credit of \$27,400 and special charges amounting to \$63,000) on sales of \$18,310,269, compared to 1953 profit of \$114,642 on sales of \$21,976,182.

Sparks-Withington Co. reports for 6 months ended Dec. 31, 1954, net income of \$10,364 (\$2.85 a pfd. share) on sales of \$14,140,508, compared to \$18,931 (\$5.20) on \$14,744,515 for same 1953 period.

Carel van Heukelom, of N. Y. office, named v.p. of Television-Electronics Fund.

Mass production of transistors came closer this week with announcement of 2 new developments: GE reported its mechanized production facilities and controlled manufacturing processes were in full operation at Syracuse, simultaneously announced 22-45% price cut on its entire transistor line—bringing new prices of cheapest transistors to less than \$2, most expensive to about \$4 each in quantity lots. Meanwhile, Bell Labs, inventor of transistor, announced development of new transistor production machine, called "Mr. Meticulous," which automatically makes 15 electrical and mechanical tests and production steps in 46 seconds without making a mistake. Humans take at least 5 minutes to do same job. Invented by Dr. R. L. Wallace and Dr. R. P. Riesz, machine is still in lab stage.

Hoffman Electronics Corp., continuing its expansion into non-TV fields, this week announced purchase of Analyzer Corp., Los Angeles manufacturer of analog computers, for undisclosed amount. Purchase agreement includes exclusive license to manufacture and sell Nordsieck integrator developed by U of Illinois' Dr. Arnold Nordsieck, said to make possible the first medium priced machine to be developed and sold commercially. Hoffman has set up computer engineering & production dept., with first production model due within 6 months. Albert S. Cahn, ex-pres. of Analyzer Corp., has been retained as consultant.

RCA scholarship grants of \$800 each have been awarded 26 university students from 21 states, all undergraduates majoring in science & engineering, reports Dr. C. P. Joliffe, RCA v.p. & technical director.

Douglas C. Lynch, exec. v.p., named pres. of Clevite Corp.'s Brush Electronics Co., Cleveland. He was formerly with Crosley, Willys-Overland & Westinghouse.

**Electronics Reports:** Effects of atomic bomb blast on various types of electronic equipment will be studied in test at Nevada Proving Grounds tentatively set for mid-April. Some 29 manufacturers of electronic equipment and parts, along with RETMA, will participate. Purpose is to indicate types of post-disaster repair problems facing communications personnel and materiel. Information obtained from test will be made available to industry through RETMA, and to civil defense organizations. Among equipment to be exposed are one complete AM broadcast station, a variety of mobile equipment and associated base stations, radio receivers & special radio equipment, antennas & towers. A typical suburban telephone switchboard is also being installed in area for exposure.

Coordinating industry participation is a RETMA ad hoc committee headed by GE's R. H. Williamson. These manufacturers will participate: Admiral, American Phenolic, Andrew Corp., Antenna Specialists Co., Belden Mfg. Co., Bendix Aviation, Cook Electric Co., Corning Glass, Dale Products Inc., DuKane Corp., Erie Resistor, GE, Hallicrafters, Hughes Aircraft, Hydro-Aire Inc., IDEA Inc., JFD Mfg. Co., Jefferson Electric, Lenz Electric, P. R. Mallory, Motorola, North Electric Mfg. Co., Permoflux Corp., RCA, Remler Co. Ltd., Shure Bros., Simpson Electric, Speer Carbon, Stainless Inc.

\* \* \* \*

"The arts, the humanities, and politics" must be studied by scientists and engineers so that they "may discharge with competence their growing responsibilities," stated Dr. Elmer W. Engstrom, RCA exec. v.p. for research & engineering in speech before American Society of Mechanical Engineers in New York this week. "Given the proper exercise of these responsibilities," he said, "there is no apparent limit to the technological progress and consequent prosperity and well-being that lie ahead for all of us." He predicted that major advances in communications would come in 4 areas: solid-state devices, personal communications, efficiency of channel utilization, data handling machines for industry. In personal communications, he ventured that within early portion of next 75 years there would be instantaneous contact between individuals anywhere in the country—"perhaps in the world." He envisioned devices transferring spoken word directly to written form, and machines that could "analyze marketing and sales data, schedule production, order materials, control manufacturing processes, and schedule delivery of finished products."

Sprague Electric Co. wins third straight annual certificate of award for excellence in management by American Institute of Management, N. Y., which surveys thousands of U. S. & Canadian companies each year. Survey covers corporate structure, fairness to stockholders, health of earnings, research & development, directorate analysis, fiscal policies, efficiencies in production.

Morris D. Hooven, Montclair, N. J., engineer with Public Service Electric & Gas Co., Newark, nominated as pres. of American Institute of Electrical Engineers, tantamount to election. He would succeed Alexander C. Monteith, Westinghouse v.p. Julian D. Tebo, Bell Labs, named a director; Walter J. Barrett, Bell Telephone Co., renominated as treas.

Peter L. Stone, ex-Ludlow Mfg. Co., Boston, elected pres. of Allen D. Cardwell Electronics Corp., Plainville, Conn., replacing Ralph H. Soby, resigned; Richard O. Kennedy Jr. named v.p. Cardwell is subsidiary of Chesapeake Industries Inc., Cleveland.

Fourth general membership meeting of manufacturers of commercial & military electronic equipment in RETMA's Electronics Industry Committee will be held in New York March 20, preceding annual IRE convention.

**SUBSCRIPTION TV** promoters gained a degree of support from educators this week. Joint Committee on Educational TV issued cautiously worded statement, saying in part:

"Should one or more systems of subscription TV be authorized . . . the JCET will be deeply interested in exploring their educational possibilities. Proponents of subscription TV believe that it presents a method whereby TV may be made a more flexible and varied medium of communication, and whereby the viewers' range of choice may be greatly increased. These features are in harmony with educational methods and objectives, and accordingly the JCET will urged that the FCC take them into account in its consideration of subscription TV."

Meanwhile, theatre exhibitors are becoming more and more alarmed, now that FCC has begun official rule-making (Vol. 11:7). Theatre Owners of America board met in Washington this week, considered means of countering moves of toll TV principals. One technique under study is a film exposing "inherent fallacies" of fee TV, to be shown by theatres throughout country.

Though most movie producers are silent on subject, fearing to disturb exhibitors, Paramount Pictures has particularly ticklish job of soothing exhibitors while pushing subscription TV through subsidiary International Telemeter. Strategy of latter is to convince exhibitors they can find a place in the toll TV picture. Paul MacNamara, Telemeter v.p., is telling exhibitors they should aim to acquire local franchises to handle subscription TV.

Shorter campaigns and conventions in 2 different cities—Chicago & San Francisco—spell less revenue and higher costs for networks during 1956 political campaigns. Despite pleas of TV networks that holding nominating conventions in different cities would add about \$1,000,000 to their costs, Republican National Committee this week picked San Francisco's famed Cow Palace for big event starting Aug. 20. Democrats had previously selected Chicago's International Amphitheatre, starting July 23 or Aug. 13. GOP chairman Leonard Hall said he carefully considered requests of networks but other considerations outweighed theirs. In confining business sessions to 2-7 p.m., however, Hall said he was seeking maximum TV coverage in East, where sessions will be seen 5-10 p.m. Networks said it was too early to tell what effect the GOP decision will have on their coverage. It's certain, however, that if Democrats pick Aug. 13 starting date, networks will have to divide much of their equipment between the 2 cities. It's certain, too, that shorter campaign means less expenditures by the politicians for national time.

Sale of CP for KNAC-TV, Ft. Smith, Ark. (Ch. 5), to broadcaster-publisher Donald W. Reynolds (Vol. 10:52) was held up by FCC which informed sellers H. S. Nakdimen, et al, that hearing is indicated. Sale was protested by radio KFPW, Ft. Smith, which levied charges of trafficking in CP, concentration of media ownership by Reynolds, delay in construction. KFPW, which indicated it would apply for the channel if it's made available, has interlocking ownership (John T. Griffin, et al) with KATV, Pine Bluff and KWTV, Oklahoma City.

Among the 3 applications filed this week was another proposed satellite—for Ch. 12, Bismarck, N. D., filed by John Boler, owner of KXJB-TV, Valley City and KCJB-TV, Minot. Other 2 applications: Ch. 4, Reno, Nev., by Robert C. Fish, who has extensive real estate holdings and owns refrigeration business; Ch. 13, Twin Falls, Ida., by KIDO-TV, Boise (60%) & radio KTFI, Twin Falls (40%).

Irene Corbally Kuhn's highly laudatory article on TV's *Pat & Bob* (NBC pres. Pat Weaver & exec. v.p. Bob Sarnoff) in *American Mercury* released as reprint by the network.

Comparison of British, Canadian and American broadcasting systems was given by FCC Comr. John C. Doerfer in speech before San Francisco's Commonwealth Club Feb. 18, and he listed among "the fruits of our free enterprise system:" (1) One TV set in U. S. for each 5 people, one for 10 in Canada, one for 12 in Britain. (2) One radio for 1½ persons in U. S., one for 3½ in Britain. (3) BBC's 1953 net income of \$36,000,000 vs. U. S. broadcasters' \$908,000,000. In addition, he cited Britain's single TV service and 3 radio services vs. our 3200 radio stations and 426 TV stations. Doerfer stated that "substantial progress" in self-regulation is being made in U. S. through NARTB & AAAA codes and that TV-radio have undoubtedly contributed to marked rise in American interest in classical music and books. "There are some people who," he said, "although opposed to govt. operation of a broadcasting system, languish for stricter controls or more censorship. But allow me to remind you that we can just as easily and irretrievably lose some of our cherished freedoms through inadvertence as we can through intentional abandonment. In my opinion, we can gain nothing by compromising these fundamental principles."

Fund for the Republic Inc., headed by Robert M. Hutchins and endowed with \$15,000,000 fund from Ford Foundation, has commissioned three 15-min. pilot films featuring cartoonist Al Capp and is currently distributing to colleges and universities the one-hour film version of Edward R. Murrow's recent *See It Now* interview with Dr. Robert Oppenheimer, the physicist. Fund's TV plans are still undetermined; consultant is ex-W. Va. broadcaster Howard Chernoff. This week, Fund for the Republic announced TV writing contest with total awards of \$29,000, top 2 of \$5000 each for best one-hour drama and best half-hour documentary dealing with civil liberties. Judges are Julian Bryan & Alex Segal, producers; Elmer Davis & Eric Severeid, commentators; Jacob Javits, N. Y. Attorney General; Prof. Allan Nevins, Columbia U; Charles P. Taft.

FCC's investigation of sabotage at KPIX, San Francisco (Vol. 10:51-52) has resulted in suspension of licenses of 3 operators on duty at transmitter when equipment was damaged: Roald W. Didriksen, Carlton R. Schwarz, Anthony Severdia. Commission will issue decision later regarding operators at studio. FCC also suspended licenses of 2 operators who were on duty at radio KEAR, San Mateo, Cal., when it went off air Oct. 5. They are Howard A. Chamberlin & Fred P. Muller. All 5 operators have 15 days in which to request hearing.

St. Louis' sole uhf survivor out of 3 starters, WTVI (Ch. 54), in applying to FCC for old KSTM-TV Ch. 36 assignment, reports net loss of \$163,000 for calendar year 1954. It listed total assets of \$661,701, of which \$545,732 are fixed; liabilities embrace deficit of \$521,943 at end of year, largest fixed item being about \$165,000 owed to GE-Graybar. Conditional on FCC approval of channel switch, WTVI has purchased transmitter & antenna, leased tower of old KSTM-TV.

TV's help to mentally ill has been proved to satisfaction of Dr. Rupert A. Chittick, supt. of Vermont State Hospital, Waterbury, Vt. GE reports hospital bought 12 sets, with funds supplied by voluntary contributors, after patients showed marked interest and pleasure watching last World Series on receiver supplied by an attendant. Dr. Chittick plans to equip each of hospital's 36 wards with a TV set.

Eight regional instead of usual 17 district NARTB meetings are proposed for this year as means of reducing burden on broadcasters—and NARTB has named Campbell Arnoux, WTAR-TV, Norfolk, and E. K. Hartenbower, KCMO-TV, Kansas City, as co-chairmen of planning committee.

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# Television Digest

with **ELECTRONICS REPORTS**

## SUMMARY-INDEX OF THE WEEK'S NEWS—February 26, 1955

SILENCE ON SUBSCRIPTION TV among networks and stations is temporary, but most are opposed or skeptical, as comments with FCC will show (p. 1).

McCONNAUGHEY DUE FOR CONGRESS OK, backs "selective de-intermixture" rule-making, amid strong signs Congress has taken policy reins from FCC (pp. 2 & 9).

FCC MULTIPLE OWNERSHIP CEILING scuttled by U. S. Court of Appeals in Storer case, ruling unanimously that numerical limits are illegal (p. 3).

UHF's IN BUFFALO & FAIRMONT GIVE UP—bringing "casualties" to 39 to date—as GE sparks plan to help "underprivileged" stations (p. 4).

WRVA FAVORED OVER WRNL for Richmond Ch. 12, as examiner cites past programming record; Broadcast Bureau asks reversal of Miami initial decision (p. 5).

LAMB CASE BUILDS TO CLIMAX as attorney files for end of hearings, McConnaughey pledges probe of procedure, Justice Dept. probes 2 FCC witnesses (p. 6).

GOVT. KEEPS ALOOF FROM DISCOUNT FIGHT, Federal Trade Commission ruling it lacks authority to help enforcement of state fair trade prices (p. 11).

6 NEW STARTERS DUE IN MARCH, 10 having gone on air thus far this year; Baton Rouge, Shreveport, Bluefield, W. Va. outlets plan spring-summer start (p. 10).

RCA RECORD 1954 VOLUME, \$940,000,000, included 24% govt. business and most TV set sales in its history; NBC up substantially, especially TV (p. 13).

CBS DESIGNATES PITTSBURGH MANAGER, anticipating approval of Steubenville shift; begins operation of its first owned uhf WXIX in Milwaukee (p. 6).

SATELLITE RULE-MAKING draws many comments, though deadline is moved to April 1; most respondents favor low power but fear big-city encroachment (p. 10).

SENATE TV INVESTIGATORS looking for special counsel; other TV-radio inquiries mark time pending organization, appropriations, etc. (p. 14).

**TELECASTERS QUIET ON FEE TV—FOR NOW:** The silent people in the subscription TV picture are operators of networks & stations -- but their silence by no means signifies indifference. Far from it, as their official comments will indicate, when filed by the May 9 deadline set by the FCC (Vol. 11:7).

Though telecasters have had little to say on subject in last few months, it may be assumed, with considerable confidence, that bulk of them are not only firmly opposed to social implications of pay-as-you-look but also harbor grave doubts as to its economic practicability. The most outspoken skepticism voiced by an industry leader was that expressed some 2 years ago by RCA-NBC chairman David Sarnoff, in keynote address at 1953 NARTB convention in Los Angeles. He said, in part:

"I sincerely believe that 'pay-as-you-see' TV on a national basis, or anything comparable to free TV as we know it today, will prove to be a snare and a delusion. I have no faith personally in the practicability of the establishment of that kind of service on a national basis.

"From a technical standpoint, however, I do not question the practicability of scrambling waves at the transmitter and unscrambling them at the receiver...That is no great trick...In our laboratories, we have been experimenting for some years with the different methods [and] we have developed a number of such systems without having made up our minds as to which is the best technically.

"My doubts [are] based on other aspects -- social, political, economic and artistic...First of all, it would be negation of the philosophy on which American radio broadcasting has been established -- freedom to listen, and in TV, freedom to look. It has become a part of the American heritage, and I do not think it likely to be disturbed. Furthermore, I have been unable to conceive how, in a national service of 'pay-as-you-see' TV, the competitive element so important to private enterprise can be preserved and at the same time avoid government regulation of rates and government control of operations."

CBS has never taken a public stand on the matter, to best of our knowledge.

Only statement on it, as well as we can remember, was pres. Frank Stanton's remark some years ago that subject should be explored -- that he was neither pro nor con at that time. AB-PT chairman Leonard H. Goldenson and ABC pres. Robert Kintner are on record, in testimony during ABC-United Paramount merger hearing before FCC, that they feel subscription TV is economically impractical.

Strongest stand taken by an individual telecaster is that of Henry Slavick, mgr. of WMCT, Memphis, who was a member of an NARTB committee on subscription TV. He blasted pay-TV proponents in article in May 1954 issue of Television Age Magazine, hasn't changed his mind since. He insists that subscription TV promoters "aren't honest with the public, advertisers or stations"; that they'd "run program costs up to 10 times what they are today"; that public bought its sets in expectation of not paying for programs; that allocation of most desirable channels is predicated on a free system; that there's serious danger of monopoly, etc.

A few desperate uhf operators and hopeful uhf CP-holders once petitioned FCC to commercialize fee TV. Presumably, some will come forth again, embracing any new technique which may promise revenues.

\* \* \* \*

Bitterness of telecasters toward one fee TV proponent, Zenith pres. E.F. McDonald, has diminished somewhat -- largely because he has abandoned his argument that advertising can never support TV. He now says free TV and fee TV can live in happy "peaceful coexistence." This change in attitude and improvement in relations may be attributed in no small part to fact that new Zenith counsel in Washington, Pierson & Ball, have many blue-chip telecasters as clients, know the temper of the industry well, and are themselves confirmed believers in the advertising concept.

Similar advice presumably came from ex-FCC chairman Wayne Coy, engaged by Zenith as consultant on pay TV after he left Commission; Coy now owns 50% (Time Inc. 50%) of KOB-TV & KOB, Albuquerque, N.M. Zenith's wide-ranging public speaker for Phonevision idea, Dr. Millard Faught, also now takes friendlier line toward commercial telecasting, and Zenith (now ranking among top 5 in TV set sales) has become one of 4 co-sponsors of "Omnibus" on CBS-TV, its first network use of the medium.

Opinions of telecasters will carry greatest weight of all, when it comes to final showdown at FCC. Commission knows them well, having dealt with them officially and personally all these years. Furthermore, telecasters are much more likely to be neutral than are fee-TV proponents, who have everything to gain and nothing to lose, or movie exhibitors, who feel they have everything to lose, nothing to gain.

Struggle will be ignored by no one, meanwhile, as more and more media of general circulation become intrigued. This week, for example, Newsweek Magazine made it subject of cover-headlined feature which leans somewhat toward fee TV and Zenith. By and large, articles in popular press seem to favor pay-as-you-look concept.

**CONGRESS CALLING TUNE ON FCC POLICY:** Hearing on confirmation of George McConaughy as FCC chairman this week was latest in chain of events indicating that far more FCC policy is going to be decided on Capitol Hill this year than ever before.

Initiative in controversial policy matters -- particularly TV -- appears to have passed from Commission to the investigating Senate Commerce Committee. Pertinent case in point is McConaughy's statement to Committee that he favours rule-making on de-intermixture of vhf & uhf channels in selected markets -- a sharp reversal of his own previous votes and those of Commission majority.

It's good bet that Commission majority, too, will go along on de-intermixture rule-making, on market-by-market basis -- as result of Capitol Hill pressures, not the least of which is Sen. Magnuson's request for an FCC report (due next week) on questions raised by the Plotkin Memorandum (Vol. 11:6-8).

These factors have set the stage for stronger-than-ever Congressional supervision of FCC: (1) A Democratic-controlled Congress desiring to keep sharp eye on a Republican administrative board. (2) Heavy pressure on Senators and Congressmen with regard to the uhf situation -- aggravated by 39 mortalities to date (see p. 4) -- and the fact that full-dress TV investigation is under way. (3) President Eisenhower's indecision last year about naming new Commission chairman, which stymied FCC on pol-

icy matters. McConnaughey's 4½-month tenure as chairman without Senate confirmation served to extend FCC's period of sterility on some critical decisions.

Having managed to avoid controversy during his 4½ months on the hook, Comr. McConnaughey gave definite impression at this week's hearing that he is looking to Congress for guidance. Outside of that, he gave no clear-cut indication of what kind of leadership he will provide, what course FCC will pursue under him.

His approval by committee -- probably next week -- and confirmation by Senate seem virtually certain. Though questioning by Democrats at all-day session Feb. 23 was sometimes sharp and his answers didn't always seem to satisfy them, they showed no inclination to fight against confirmation as they did during last fall's special session when Sen. Bricker (R-O.), then Committee chairman, forced early hearings for his "life-long friend" (Vol. 10:46-47).

\* \* \* \*

Brief summary of McConnaughey's views on important subjects, as expressed to the committee: Uhf problem -- endorsed rule-making on selective de-intermixture and Congressional removal of excise tax on all-channel receivers, hailed 1000-kw uhf stations as encouraging factor. Newspaper ownership -- felt newspaper ties shouldn't be held against a TV applicant unless there is undue concentration of media control. Educational TV -- urged "patience," opposed an investigation or any action aimed at opening reserved channels to commercial interests.

He plumped for reforms in FCC procedures, including modification of "protest" section of Communications Act, elimination of regulation which "insulates" commissioners in their dealings with certain staff members, development of uniform rules covering hearing procedures. He predicted FCC would turn out more final decisions on TV applications by July 1 than it did all last year, eliminate backlog in year.

Lamb case provoked hottest questioning, by Sens. Magnuson, Monroney (D-Okla.) and Kefauver (D-Tenn.), latter not on Committee but attending session to ask questions. McConnaughey said it would be improper to discuss issues in pending case, but in response to questions said he would make study of methods of obtaining witnesses, charges of coercion etc. after case is concluded.

For summary of McConnaughey hearing, see p. 9; for account of Senators' and McConnaughey's views on Lamb case procedures, see p. 6.

**COURT NULLIFIES FCC OWNERSHIP LIMITS:** The ceiling is off multiple ownership -- unless Supreme Court or Congress rules otherwise. In an unequivocal and unanimous decision this week, U.S. Court of Appeals for District of Columbia ruled in favor of Storer Bcstg. Co., telling FCC that it has no authority to specify the number of TV, AM or FM stations any single entity can own. Rather, court said, each application must be considered on its own merits. Decision was rendered by Judges Wilbur K. Miller, E. Barrett Prettyman and David L. Bazelon.

Commission hasn't said whether it will appeal to Supreme Court, but it's free to do so -- and it could conceivably win reversal of lower court. It's conceivable, too, that Congress will decide to fix numerical limits -- which it has power to do. For the present, however, this week's decision completely wipes out FCC's limits of 7 TV, 7 AM and 7 FM stations (or fractions thereof) under common ownership. The sky is now the limit -- theoretically.

As a practical matter, however, it's expected that multiple owners will move very cautiously at first. With current investigations of TV-radio "monopoly" going on in Congress, any bold move to acquire additional prosperous vhf stations, on the part of those who have 5, is likely to precipitate Congressional moves to fix numerical limits by law. As it is, there will undoubtedly be demands that Congress put a ceiling on multiple ownership. There's a suggestion in Plotkin Memorandum, for example, that 3 TV stations might be reasonable limit (Vol. 11:6).

Court still leaves discretion on ownership entirely up to FCC. What court does say, however, is that Commission can't summarily dismiss an application simply because it's filed by a licensee already owning a certain number of stations. Such applications must be given a hearing, court stated. Here's court's view:

"It is conceivable that in some circumstances, common ownership of even 5 TV

stations, though permitted by the challenged rule, might be undue concentration of control; while in other circumstances, common ownership of a greater number might be compatible with the public interest. But whether so or not must be determined on an ad hoc basis, after consideration of all factors relevant in the determination of whether the grant of a license would be within the comprehensive concept of which the Act calls 'the public interest, convenience, or necessity.'

What it comes down to, then, is philosophy of majority of FCC at any particular time. Present Commission is something of a paradox. On the one hand, it has demonstrated time and again that it has no prejudice to "bigness" as such. On the other hand, it surprised everyone not too long ago by ruling that a 1% interest in a station should be counted as full ownership -- something that not even a New Deal Commission did. It's expected that the first to take advantage of this week's decision will be organizations like Westinghouse, which has been hampered in acquiring 5 TV stations because of one director's 2.8% interest in KTRK-TV, Houston.

If precedent means anything, it should be recalled that FCC had no numerical ceiling on AM ownership until just last year -- yet only one entity, CBS, ever got more than 7 AMs, and then only a minority interest in an 8th. Its efforts to go further were turned down by the Commission. Very few others ever sought to acquire even the full unofficial limit of 7.

Storer is only organization owning full TV complement permitted under the now-nullified rules permitting 5 vhf & 2 uhf. (For list of all groups owning more than one TV station, see Multiple Ownerships, TV Factbook No. 20, p. 61.)

The appeal had been brought by Storer after Commission dismissed its application for Miami's Ch. 10 on Nov. 25, 1953, on grounds Storer already had 5 stations. Storer challenged multiple ownership rules, didn't appeal dismissal of application. Since that time, a 4-applicant hearing has been conducted for Ch. 10, now awaits the examiner's initial decision. In its decision this week, court said that even though Storer didn't appeal denial of the application, Commission will "probably" grant Storer a hearing on the application on its own motion. However, it's doubted that Storer's application could be thrown into the now-concluded Ch. 10 hearing.

Storer pres. George B. Storer, pleased with decision, said: "Our position was that every applicant for a TV station has a right to be heard and should be judged on the merits of his ability and willingness to serve rather than on the basis of how many stations he may operate."

Interesting sidelight of case is that Storer, before he took the appeal, had opinions from 2 law firms that effort would be fruitless. Handling case for Storer were Albert R. Connelly and George B. Turner, of Cravath, Swain & Moore; Thomas H. Wall, Fred W. Albertson and Clair L. Stout, of Dow, Lohnes & Albertson; and John McCoy, counsel for Storer Bcstg. Co.

Predictions now are just as diverse as before appeal was made. Competent lawyers insist FCC will appeal and Supreme Court will reverse lower court. Equally experienced attorneys vow that FCC won't appeal, or if it does, Supreme Court won't accept the case -- letting this week's decision stand.

**2 MORE UHF GIVE UP, HELP PLAN PROBED:** Hard hit by intermixture, unable to operate profitably without adequate network service, WBUF-TV, Buffalo (Ch. 17) and WJPB-TV, Fairmont, W. Va. (Ch. 35) have given up and signed off -- leaving only 112 uhf on the air (as against 313 vhf) and bringing roster of those which have quit to 39 to date (for complete list, see TV Factbook No. 20, p. 18, plus story in Vol. 11:6).

The Buffalo station has been operating since Aug. 1953, quit Feb. 23 after suffering losses of \$451,000 -- the losses running up to \$30,000 per month lately. Gen. mgr. Sherwin Grossman is still hopeful of getting Ch. 8 into city (Vol. 10:45) but has disbanded staff. Station is city's second uhf to go dark, WBES-TV (Ch. 59) having left air in Dec. 1953 after only 3½ months of operation.

WJPB-TV pres. Donn D. Baer, purchaser of 75% ownership last Nov. from J. Patrick Beacom, who claimed he founded station on record low capital outlay of \$118,000 (Vol. 10:12), told FCC: "A combination of factors has made it possible for vhf stations in Pittsburgh, Wheeling and Steubenville to beam serviceable signals into our

coverage area...We desire to hold our CP until such time as the Commission will take action on reallocation of a vhf channel to Fairmont or offer some sort of concession to uhf stations..." WJPB-TV was to sign off Feb. 28.

The demise of so many uhf outlets, some of whose owners have carried their troubles to Senators and Congressmen, especially in instances where they lost network affiliations to newcomer vhf stations or audience to vhf power increases, has already intensified interest in their behalf on Capitol Hill. There, FCC chairman George McConaughy told Senate committee this week he favors rule-making on de-intermixture in selected markets (see pp. 2 & 9).

Disposition to "help uhf" -- especially inasmuch as its technical proficiency is conceded and particularly in view of its high power potential, illustrated by the recent 1-megawatt installations in Wilkes-Barre -- is manifest within the industry, too. There was report this week that GE is considering some kind of "bold measure" on behalf not only of uhf but of other "underprivileged" TV operations.

Inquiry at GE developed that project has nothing to do with easing equipment payments, encouraging more stations to hike powers, or the like; rather, it's considering a plan, as yet nebulous, to pool the buying & selling powers of such stations so as to effect economies for them, their suppliers and their advertisers. Something along lines of a "farmers' cooperative" is contemplated, it was revealed.

Said William J. Morlock, gen. mgr. of GE commercial equipment dept.: "Our analysis of many stations seems to indicate that a revision of management principles, availability of program material and better selling capabilities would do more to assist them than anything else." But he would divulge no more, except to say that an independent private corporation is being considered, operated by "responsible people not connected with GE."

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**S**UPERIOR RECORD in radio was prime reason for examiner H. Gifford Irion's choice this week of Richmond TV Corp. (WRVA and Thalhimer theatres) over Richmond Newspapers (WRNL) for Ch. 12. On the "diversification" theme, Irion said there was "approximate parity" between the broadcasting-theatre group and the broadcasting-newspaper interests.

Toting up past programming score, Irion stated: "While WRNL has shown evidence of a number of creditable programs, this quality of initiative has been by no means as pronounced as at WRVA. The conclusion must be made, therefore, that the past programming at WRVA betokens more promise for meritorious programming in the future than does that of its rival."

In Miami's Ch. 7 case, however, FCC's Broadcast Bureau believes diversification absolutely controlling. In sharply worded exception to examiner James Cunningham's initial decision, Bureau urged flat reversal of grant proposed by Cunningham to combination of Cox-Knight newspaper-radio interests headed by ex-NBC pres. Niles Trammell. Bureau stated that Cox-Knight radio history is not so outstanding as to outweigh fact that its 3 opponents have no media interests at all, and it concluded that Cunningham "failed to give proper weight to the overwhelming evidence in this record tending to show that an award to [Cox-Knight-Trammell] will seriously restrict the principle of diversification of the control of mass media in the Miami area and, further, that such an award would have a tendency generally to lessen competition in the broadcast field."

WKNB-TV, New Britain, Conn. (Ch. 30) and purchaser NBC (Vol. 11:2) struck back at WNHC-TV, New Haven, this week, charging that latter's protest of sale was made in "bad faith" and that its objective "is to perpetuate its present vhf monopoly; frustrate development of competition; and delay the expansion and development of uhf in the Connecticut Valley region." Joining their defense, grantee WELI-TV, New Haven (Ch. 59) told Commission it would be encouraged to build if NBC takes

over WKNB-TV and promotes uhf conversions in the area. It also reported, incidentally, that it believes it can build a uhf transmitter out of 2 FM transmitters on hand.

Running fight between WTRI and WROW-TV, Albany, continued in oral argument this week. WTRI counsel Paul Porter told commissioners that sale of WROW-TV to Lowell Thomas group was a "dark of the moon, back of the barn arrangement" and that hearing is mandatory. WROW-TV counsel countered that CBS doesn't control Thomas; that CBS is not Thomas' major source of revenue; that "I do not think that you want to put people who have been performers in the class with aliens." He had no objections to a hearing, and Commission said it would order one.

There was one unusual action this week, in which Commission reopened record and sent back to hearing the initial decision which favored WVMI over WLOX, for Ch. 13 in Biloxi, Miss. (Vol. 10:28). FCC decided that examiner Harold L. Schilz, who has since left Commission, erred in excluding pertinent testimony. It ordered further hearing and a new initial decision.

Another action, quite infrequent nowadays, was that of setting a new comparative hearing--contest for Ch. 3, Mayaguez, P. R., to start April 25 among owners of WKAQ-TV and WAPA-TV, San Juan, and WJMR-TV, New Orleans.

Two allocations changes were sought: (1) KHOL-TV, Kearney, Neb. (Ch. 13), asked assignment of Ch. 6 to Hayes Center, Kan. so that it can apply for satellite there. (2) KBID-TV, Fresno, Cal. (Ch. 53), now off air, sought lower channel, either Ch. 18 or Ch. 30. It asked that Fresno's educational Ch. 18 be declared commercial or that Ch. 53 and Ch. 30 be swapped between Fresno and Madera.

Power increases: WDEL-TV, Wilmington, Del. (Ch. 12) Feb. 20 to 316-kw; WKOW-TV, Madison, Wis. (Ch. 27) Feb. 18 to 162-kw.

NBC-TV affiliates will hold 1955 "convention" in New York's Waldorf-Astoria, April 21-22.

**S**TORMY CASE of Edward O. Lamb built up to climax this week, with these developments, both inside and outside the hearing room:

(1) Lamb attorney Russell M. Brown demanded that FCC end its hearing and grant the Ohio broadcaster renewal of his WICU, Erie. Examiner Herbert Sharfman recessed hearings indefinitely and gave Brown until March 1 to file petition to end 44-day proceedings.

(2) FCC Chairman McConnaughey, answering battery of questions on Lamb case at Senate hearing this week (see p. 2), said he does not believe former FCC attorney Walter R. Powell "coerced" witnesses into testifying against Lamb, but he intends to "make a study" of procedures used in the case after decision is rendered. Three Democratic Senators criticized FCC handling of case.

(3) Attorney General Brownell announced Federal grand jury will begin investigation of turnabout witness Mrs. Marie Natvig Feb. 28, and Justice Dept. asked FCC for transcript of testimony of another flip-flop witness, Lowell Watson.

(4) President Eisenhower has discussed testimony in Lamb case with members of his staff, he told Feb. 23 news conference, but he added he would have to take a much closer look before making any comment.

Examiner Sharfman indicated at this week's hearing that he would disregard the conflicting testimony given by Watson during his 2 appearances on the stand. He previously said he will give no weight to any of Mrs. Natvig's testimony. Charging that Broadcast Bureau's case against Lamb was "complete and thorough failure," Russell M. Brown announced he will file motion for immediate renewal of Lamb's license. If Sharfman turns it down, he said, he will appeal to the commissioners. FCC counsel Joseph Kittner then announced that Broadcast Bureau may want to call Lamb to stand as part of its direct case. This touched off a shouted exchange between Kittner and Brown. Latter said Lamb had been "begging" to talk to FCC for a long time, but Commission did not accord him the "courtesy of a reply" when Lamb had offered to answer any questions on the charges long before hearings began.

Kittner protested that Brown was making an "irresponsible attack on the Commission"—to which Brown shouted: "I'll show you how irresponsible it was when you get up before Congress."

The case did come before Congress this week at Mc-

Connaughey hearings, with feelings running high among Democratic Senators—particularly Sen. Kefauver (D-Tenn.), who though not a member of committee, was permitted to ask questions of McConnaughey.

At outset of Senate hearing, McConnaughey explained that he is not permitted under the law to have contact with hearing examiners or Broadcast Bureau personnel on any pending hearing cases, and therefore he knew nothing about case except what he read in the newspapers. He said it would be improper to discuss issues in case, but Senators fired questions at him about "procedure."

In answer to questions, he said: (1) He didn't know Powell, didn't write a letter of recommendation for him when he left Broadcast Bureau to join NARTB. (2) He doesn't know how FCC gets witnesses, but intends to find out. (3) If anybody has done anything wrong in connection with the case, "he will be severely punished."

Sens. Magnuson and Kefauver both tried to pump McConnaughey as to the reasons for Powell's resignation, but got nowhere. "If these stories [about the Lamb case] are true, it could happen to anyone," said Magnuson. Sen. Monroney said he felt that renewal procedures should give great weight to licensee's "affirmative" side—record of service to the community, etc.—"as opposed to the Natvigs."

Hottest questioning came when Monroney and Kefauver quizzed McConnaughey about letter sent FCC July 19 expressing unanimous request of Committee that Lamb be sent "bill of particulars" and list of witnesses scheduled to appear against him. McConnaughey pointed out that he was not at FCC at that time, that this was first time he had heard of letter, but added: "I certainly think that counsel should receive the bill of particulars. . . . I think any lawyer is entitled to a list of witnesses and charges."

Kefauver continually questioned McConnaughey about Commission's change in allegations against Lamb—"charging him with being a Communist, then dropping the charge without apology or explanation." McConnaughey replied: "I think that is an extremely serious thing to do and I personally would not sanction such procedure."

This exchange led to sharp clash between Kefauver and Bricker, who said it was "unfair to ask the witness about cases that are pending." Kefauver replied, "I resent that statement," Bricker snapped back: "Go ahead and resent it."

**P**ITTSBURGH, ranked 8th among market areas by U. S. Census Bureau, and Milwaukee, ranking 16th, are next expansions on the CBS-TV drawing board. This week, v.p. Merle S. Jones, in charge of CBS-owned stations, designated Frank F. Samuels Jr., mgr. of Pacific Coast Network Sales and ex-ABC western div. v.p., as gen. mgr. of projected new Pittsburgh area station pending FCC action on purchase of WSTV-TV, Steubenville, O. (Ch. 9). This week end, CBS-TV was due to put into operation its own first uhf station, WXIX, Milwaukee (Ch. 19), managed by Edmund C. Bunker, ex-sales mgr. of its KNXT, Hollywood.

Samuels' duties begin immediately in connection with planning the station, and this week he and Mr. Jones were in the Steubenville-Pittsburgh area to begin surveys preparatory to operation. WSTV-TV was purchased last Oct. for \$3,000,000 from the Berkman-Laux interests (Vol. 10:47), subject to approval of move of transmitter to point near Pittsburgh and main studio to Florence, Pa. Protests remain to be resolved (Vol. 10:49-52) before FCC acts on transfer application.

In Milwaukee, all is in readiness for FCC-approved new WXIX to assume the Ch. 19 formerly occupied by WOKY-TV, which CBS purchased from Bartell family

for \$335,000, at same time acquiring physical facilities of Lou Poller's WCAN-TV (Ch. 25) for \$650,000 (Vol. 10:47). CBS engineering v.p. Wm. B. Lodge, addressing 150 Milwaukee distributors-dealers last week, revealed network has spent \$1,500,000 in preliminary development, regards Milwaukee as "the nation's most promising uhf market since it is the largest city in the country in which the majority of homes has uhf conversion already."

WXIX is using former WCAN-TV studios and the WCAN-TV tower atop the Schroeder Hotel, starts Feb. 27 with 50-kw but by March 13 will go to 245-kw. WCAN-TV signs off day WXIX starts, though Poller retains the CP for Ch. 25 and owns old WOKY-TV studios. When Poller operated his WCAN-TV as a CBS outlet, it was highly profitable (Vol. 11:5), but it's regarded doubtful whether he will revive it as an independent and he has also sold his radio WCAN there (Vol. 11:5).

Milwaukee station is first of 2 uhf of own planned by CBS, second not yet revealed. NBC's first uhf of own will be on Mt. Higby in Connecticut (Vol. 11:2), network having purchased WKNB-TV, New Britain-Hartford (Ch. 30); this purchase still awaits FCC approval, faces opposition of NBC's vhf affiliate in area, WNHC-TV, New Haven (Ch. 8).

**Personal Notes:** Ted Cott resigns as operating v.p. of NBC radio network, week after William H. Fineshriber Jr. resigned as v.p. in charge of radio network (Vol. 11:8) . . . Thomas K. Fisher, member of N. Y. law firm of Donovan, Leisure, Newton & Irvine and onetime asst. U. S. attorney for southern district of N. Y., named asst. gen. attorney of CBS Inc. under attorney Julius F. Brauner . . . John H. Reber, NBC national TV sales mgr., named TV spot sales director; H. W. Shepard, new business & promotion mgr., named director of radio spot sales—both reporting to spot sales v.p. Thomas B. McFadden . . . Fred Shawn resigns as NBC-TV director of program production . . . Robert A. Kintner, ABC pres., chief speaker at Easton (Pa.) chamber of commerce dinner March 2 . . . Sylvester L. (Pat) Weaver, NBC pres., Arno Johnson, v.p. of J. Walter Thompson Co., and David Ogilvy, pres. of Ogilvy, Benson & Mather, among 9 candidates for *Tide Magazine's* "Marketing Man of the Year" . . . Ben C. Fisher, son of firm's founder and 1952 Harvard Law School graduate, this week became partner in Fisher, Wayland, Duvall & Southmayd; his father, Ben S. Fisher, pioneer Washington radio attorney, died last year . . . Edward F. Kenehan rejoins FCC staff, in office of general counsel; he resigned in 1948 to join firm of Welch, Mott & Morgan, left latter to join RCA legal staff in 1951; Mrs. Ann A. Mooney is now on 6-8 months leave of absence from office of general counsel . . . Leo Howard, from KGTV, Des Moines, named gen. mgr. of WEAU-TV, Eau Claire, succeeding Harry Hyett, resigned . . . Leslie C. Johnson, v.p. & gen. mgr. of WHBF-TV & WHBF, Rock Island, Ill., crowned "King" of area's 17th annual Mardi Gras . . . Bob Reed, ex-WSFA-TV & WCOV-TV, Montgomery, Ala., named production director of upcoming WBRZ, Baton Rouge (Ch. 2) due in April . . . Montez Tjaden, promotion mgr. of KWTW & KOMA, Oklahoma City, named "Outstanding Woman in Oklahoma Advertising" at Gamma Alpha Chi Founder's Day banquet . . . Wm. Straiton, from AM affiliate, named program director, CHEX-TV, Peterborough, Ont. (Ch. 2), due in March; Doug Manning promoted to commercial mgr. . . . Paul White, pres. of Paul White Productions & ex-pres. of Prockter Syndications, retained as adviser to RCA Victor custom record dept. in developing 5-year expansion plan for TV film syndication branch of RCA Recorded Program Services . . . Robert Hess, CBS-TV White House cameraman, promoted to new post of mgr. of motion picture photography, newsfilm production dept. . . . John K. Rooke named editor of CBC-TV features editor, handling *CBC Newsmagazine* and replacing Harry Rasky, resigned . . . Mort Dank promoted to news editor of CBS-TV's *Morning Show* (Mon.-thru-Fri. 7-9 a.m.).

Andrew G. Haley, the Washington radio attorney whose hobby is rockets and who was 1954 pres. of American Rocket Society, is author of "Outpost in the Sky" in Feb. 20 *American Weekly* in which he urges colonizing a nearby asteroid. During World War II, he was pres. of Aerojet Engineering Corp.; currently he's writing book titled *All the World's Rockets* to be published next autumn.

Sports Broadcasting Assn. elects these 1955 officers: pres., Don Dunphy, succeeding Dean Miller, United Press Radio; 1st v.p., Jim McKay, CBS-TV; 2nd v.p., Les Keiter, WINS, N. Y.; secy., Frank Litsku, UP Radio; treas., Len Dillon, WFAS, White Plains, N. Y.

George F. Goodyear, ex-patent attorney and investment broker who is pres. of WGR-TV, Buffalo, revealed on CBS-TV's *I've Got a Secret* show Feb. 23 that he has read entire *Encyclopaedia Britannica*, said it took him 22 years.

Charles C. Kolster, New York regional mgr. of FCC engineering & Monitoring Bureau, retires after more than 40 years of govt. service, having started in 1913 as radio inspector in Commerce Dept.'s Bureau of Navigation.

**Telecasting Notes:** "Nobody has made an offer yet that really interests us." Thus Paramount Pictures v.p. Paul Raibourn, when asked to verify published reports that some 2000 Paramount short subjects are about to be sold for TV, including *Popeye* cartoons, *Grantland Rice Sportlights* and comedy shorts with Jack Benny, Robert Benchley, Eddie Cantor, Burns & Allen, et al. According to *Billboard*, which in the past has accurately forecast the release of movies to TV, the Paramount price tag is reported to be \$4,000,000 . . . By inference, of course, Raibourn's reply to our inquiry would indicate that the Paramount short subjects can be had—at a price. But it's also a fact that, having been written off long ago, they probably would have to be sold as a package rather than piecemeal in order that the big movie firm can cash in on them via capital gain. Right now, the movie industry is doing so nicely (see Financial & Trade Notes, Vol. 11:8) that there's no disposition to rent them out to TV or to enter into any profit-sharing deals covering their TV uses . . . If Paramount does sell its short subjects—and it would seem that it's bound to do so eventually—it would follow the recent example of Warner Bros., which has just sold 191 cartoons to Guild Films via the William Morris Agency (Vol. 11:8) and of Columbia Pictures and Universal. *Billboard* also predicts MGM will "spring open its vaults for TV via the Morris office" and observes: "With Paramount making a move now and other firms still to be heard from, there is no way of telling now whether the dam will burst entirely"—referring, of course, to pressures for release of backlogs of feature films . . . 20th Century-Fox's Sid Rogell told *Variety* in Hollywood this week that it's going into TV production in big way and "with full knowledge of its vast potential"; Western Ave. lot's 7 movie sound stages are being converted into 15 for TV, and study is being made of TV possibilities of such properties as *The Jones Family*, *Mr. Moto*, *Charlie Chan*, *My Friend Flicka*, *Mr. Belvedere*. Michel Kraike, ex-Screen Gems, named asst. to Rogell, in charge of TV . . . Ziv TV by April 1 will be completely located in newly acquired Hollywood studios, old National Studios, now being remodeled . . . Decca Records and sponsor Dow Chemical Co. have made tie-in, whereby recording of Victor Young's *Theme from the Medie* will be heavily promoted on TV, in displays, etc. and sent to disc jockeys with samples of *Saran Wrap* . . . Klaus Landsberg's KTLA, Los Angeles, will go it alone in covering 1956 GOP convention in San Francisco, handling own coverage via own lines rather than joining network pool.

Feature movies' hold on TV audience is reflected in Advertest Research's Jan. test of TV viewing habits, which shows 88% of N. Y. area TV families view such movies, 7 out of 10 saying they like TV movies as well as or better than other types of TV programs. Primary objections were too many old and too many poor movies and "too many commercials [always at] crucial moment." Types of preferences: 12 noon-5 p.m., westerns and musicals; 5-7 p.m., mysteries & musicals; 7-11 p.m., drama & mystery; after 11 p.m., drama & mystery.

Walt Disney has edited his 3 *Davy Crockett* TV films, each of which ran about 50 min., and will release them in June as a theatrical feature titled *Davy Crockett, King of the Wild Frontier*, running about 90 min. Though it's estimated 40,000,000 people have seen the films on ABC-TV *Disneyland*, 10% of the 8000 fan letters received were said to have asked when they might be seen in a theatre.

Reginald Clough, *Tide Magazine* publisher, joins *Reader's Digest* exec. staff March 14 in charge of information & sales development for advertising.

Paul Archinard, NBC correspondent, elected pres. of Anglo-American Press Assn., Paris.

**Station Accounts:** Farm programs on TV, though still in test stage, are proving profitable for the comparatively few national sponsors pioneering the field, reports *Tide Magazine* in 3-article series (Jan. 29, Feb. 12 & 26). It says 45% of stations now carry some sort of program aimed at farm audience, which usually are 2 types: (1) market reports, weather, other day-to-day news farmer needs to run his business; (2) features designed to increase efficiency, such as interviews with county agent, films on modern methods, etc. Most popular times are noon, early morning, early evening . . . Most sponsors are local feed mills, implement dealers, insurance agents—but experiences of 3 national sponsors are cited to prove it's worth cost: Murphy Products Co., Burlington, Wis. (live-stock concentrates); Ralston Purina Co., St. Louis; Staley Milling Co., Kansas City . . . These stations are credited with "strong" farm programming: KFEQ-TV, St. Joseph, Mo.; WFBM-TV, Indianapolis; WMCT, Memphis; WHAS-TV, Louisville; WOW-TV, Omaha; KPRC-TV, Houston; KOIN-TV, Portland, Ore.; KATV, Pine Bluff-Little Rock; KLZ-TV, Denver; WHO-TV, Des Moines . . . DuMont-owned WABD & WTTG this week started carrying film of President's press conferences with before-&-after announcements that it was being shown under auspices of DuMont TV receiver sales div. on behalf of franchised dealers; they plan to continue practice weekly, White House press secy. having raised no objection to such "house ads" . . . Shulton Co. (Old Spice toiletries), buying first program after 2 years in spots, places MPTV's *Paris Precinct* in 35 major markets starting in March, thru Wesley Assoc., N. Y. . . Amoco switches Washington Redskins' football games from WMAL-TV to WTOP-TV as origination point for 15-station hookup this fall, thru Joseph Katz Adv., Baltimore . . . Though hard liquor is banned by the code, TV "saturation campaign" is announced for Jose Cuervo Tequila, popular brand of the Mexican drink, distributed in U. S. by Young's Market Co.,

Los Angeles. Agency is Tullis Adv., L. A. . . . Among other advertisers currently reported using or preparing to use TV: Towne Talk Co., Los Angeles (Pride toppings), thru Arthur Meyerhoff & Co., Beverly Hills; T. T. Keane Co., Washington (Mrs. Keane's beefsteaks), thru Courtland D. Ferguson, Washington; Harmless Sleepwell Products, N. Y. (Sleepwell capsules), thru Friend-Krieger & Rader, N. Y.; Omar Inc., Omaha (bakery goods), thru Bozell & Jacobs, Omaha; Brazilian International Airlines, Miami, thru Roland-Bowdee & Flint Adv., Miami Beach; Emaline Knitted Sportswear Co., N. Y. (ladies' sportswear), thru Dunay Co., N. Y.; Screen Gems Inc., N. Y. (commercial & industrial films), thru Joseph Katz Co., N. Y.; American Dietetics Co., Yonkers, N. Y. (Frenchette salad dressings), thru Harry B. Cohen Adv., N. Y.; Latter & Sons, Oakland, Cal. (Morehouse mustard & Morstang mustard), thru Bernard B. Schnitzer, San Francisco; Foster-Milburn Co., Buffalo (Doan's Pills), thru Street & Finney, N. Y.; Drug Research Corp., N. Y. (Sustamin 2-12 for pain), thru Dowd, Redfield & Johnstone, N. Y.; F. Schumacher & Co., N. Y. (Waverly Bonded fabrics), thru Lawrence Kane, N. Y.; Ball Bros. Co., Muncie, Ind., Consumer Products Div. (Bonnie Jonnie toilet bowl cleaner), thru Applegate Adv. Agency, Muncie, Ind.

Rate increases: WGR-TV, Buffalo, adds new 8-10 p.m. daily Class AA hour at \$950, min. at \$170, Class A hour remaining \$800; WCIA, Champaign, Ill. adds new 7:30-10 p.m. daily Class AA hour at \$550, 20-sec. at \$115, raising Class A hour from \$450 to \$500; WTRF-TV, Wheeling, W. Va., raises base hour from \$400 to \$450, min. \$80 to \$90; KFVS-TV, Cape Girardeau, Mo., from \$250 to \$300 & \$50 to \$60; WAGA-TV, Atlanta, Ga. raises Class A min. from \$135 to \$150.

Rate decrease: WEWS, Cleveland, which lost CBS affiliation, cuts base hour from \$1200 to \$950, 20 sec. from \$600 to \$300.

**Network Accounts:** NBC-TV's widely publicized women's show *Home* (Mon.-thru-Fri. 11 a.m.-noon) marks first anniversary March 1 with more than \$8,000,000 in gross billings during first year. By contrast, Dave Garroway's *Today* (Mon.-thru-Fri. 7-9 a.m.) grossed \$1,800,000 its first year. Roy Porteus, sales mgr. of NBC participating programs, said *Home* is running well ahead of its sales quota for 1955. Mort Werner, director of participating programs, said more originations from various cities are in prospect for 1955, along with special emphasis on home-building & remodeling . . . New Disney program, *Mickey Mouse Club*, debuts on ABC-TV Oct. 3, Mon.-thru-Fri. 5-6 p.m., having already signed as partic. sponsors Colgate, Borden's, General Mills & Campbell Soup; cartoon show 5 days a week is also being sought for fall by NBC-TV, which has started negotiations with several companies for pilot films . . . Brillo to sponsor *Star Tonight* on ABC-TV Thu. 9-9:30 p.m., thru J. Walter Thompson . . . Procter & Gamble seeking new program to introduce variety of new products on NBC-TV Sun. 10-10:30 p.m. this fall, thru Benton & Bowles . . . ABC-TV takes over *Johns Hopkins Science Review*, dropped recently by DuMont, as sustainer starting March 12, Sat. 7-7:30 p.m., though format will be changed to stress opportunities in science for youngsters.

CBS-TV's "Extended Market Plan" for extension of network programs to small-market affiliates at minimum cost (Vol. 10:49) got 2 more sponsors this week, bringing total of advertisers using all or part of plan to 28. Camels ordered all 15 stations added for *I've Got a Secret* (Wed. 9:30-10 p.m.) & *Topper* (Fri. 8:30-9 p.m.), thru Wm. Esty Co. General Foods (Instant Maxwell House Coffee) added all 15 for *December Bride* (Mon. 9:30-10 p.m.) thru Benton & Bowles. "EMP" stations: KBST-TV, Big Spring, Tex.; WMSL-TV, Decatur, Ala.; KGVO-TV, Missoula, Mont.; KVEC-TV, San Luis Obispo, Cal.; KFXJ-TV, Grand Junction, Colo.; WINK-TV, Ft. Myers, Fla.; KVOS-TV, Bellingham, Wash.; WDXI-TV, Jackson, Tenn.; WBOC-TV, Salisbury, Md.; KLAS-TV, Las Vegas, Nev.; WKNY-TV, Kingston, N. Y.; KTAG-TV, Lake Charles, La.; WCBI-TV, Columbus, Miss.

NBC-TV's program service arrangement, whereby some big network shows are fed to optional affiliates as a circulation booster even though they are not ordered by sponsors (Vol. 10:49), picked up 2 more programs this week—*Caesar's Hour* starting March 14 and *George Gobel Show* starting March 19. Under this plan, *Howdy Doody* is currently fed to 65 optional affiliates, *Home* to 42, *Today* to 28, *Imogene Coca Show* to 25.

New reps: KFEL-TV, Denver to Hoag-Blair (from Blair TV); WTVO, Rockford, Ill. to Headley-Reed (from Weed); KFVS-TV, Cape Girardeau, Mo., to Headley-Reed. New rep offices: Free & Peters March 5 moves to 250 Park Ave., occupying entire 18th floor.

Curtis Circulation Co.'s new *TV Program Week*, launched as competitor of *TV Guide*, suspended publication this week after 8 weekly issues.

Canadian Broadcasting Corp. on April 1 raises Class A network rates of CPFL-TV, London, Ont., from \$300 to \$370; CKCO-TV, Kitchener, Ont., \$300 to \$360; CFCM-TV, Quebec City, \$200 to \$230.

G. M. Basford Co. absorbs industrial adv. div. of Sterling Adv., Sterling's Paul B. Slawter Jr. joining Basford March 1 as v.p. Sterling will concentrate on consumer accounts.

**H**IGHLIGHTS of hearing before Senate Commerce Committee on nomination of chairman George C. McConnaughey to FCC (see story, p. 2):

*Uhf problems:* Outlining steps to help uhf, McConnaughey stated: "As the Plotkin report indicated, I think it would be wise—thinking for myself now, not the Commission—for the Commission to consider rule-making, on a selective basis possibly, on de-intermixture. It is not easy, because there are many problems involved with reference to the public who already have hundreds of thousands of vhf receivers." He urged prompt removal of excise tax from all-channel sets, saw development of 1-megawatt transmitting plants as hopeful sign. He agreed with Sen. Pastore (D-R. I.), chairman of communications subcommittee, that FCC to date has not taken "positive action" to help uhf.

Chairman Magnuson (D-Wash.) urged Commission to take action immediately "in this controversy in the markets between uhf & vhf frequencies." Even while his committee is conducting the investigation, he said, "you might take some places where the matter can be solved first, then take the more complicated ones later." McConnaughey replied: "I hope so, too . . . and I assure you the Commission has given that serious study."

*Newspaper ownership:* Under questioning by Sen. Daniel (D-Tex.), McConnaughey said newspaper ownership should not disqualify a TV applicant, but on the contrary, all other things being equal, "I think he ought to have a little bit in his favor because of experience and background." Questioned later by Sen. Kefauver (D-Tenn.), he said he didn't mean to say he would prefer the newspaper-owned applicant, but in some cases newspaper ownership "could be a favorable factor with reference to experience," although each case had to be judged on its individual merits. "Where it is the sole newspaper and they have the other methods of communication [too], that is a different situation," he added.

*Monopoly:* Kefauver hammered at "monopoly" issue, particularly "purchases of independent stations by groups." McConnaughey said he hadn't studied situation, but felt "no alarm," would make study of it as "already suggested by the committee."

*License renewals:* Much of hearing was devoted to

questioning about procedures in Lamb case, Sens. Magnuson, Monroney (D-Okla.) and Kefauver asking the questions (see story, p. 6). "The whole question of [renewal] procedure should be reviewed in the near future," said McConnaughey. Magnuson then asked whether it would be advisable to issue TV-radio licenses for an indefinite period, remaining in effect until FCC gives notice to licensee. McConnaughey said he didn't know enough about it to give an answer.

*Military frequencies:* Reiterating his desire to investigate "the freezing of part of the TV band by the military," Magnuson asked McConnaughey whether military has "too much frequencies tied up." McConnaughey replied he didn't know, but that FCC's relations with military authorities had always been good.

*Station financial reports:* Magnuson questioned nominee about former investigation counsel Robert F. Jones' request for FCC to turn over individual station and network financial data (Vol. 10:52). At that time, FCC attorneys ruled this would violate Federal law. Magnuson quoted decision by Senate legislative counsel that it is "unlikely" that any FCC employe would be prosecuted for giving such data to committee. McConnaughey said he wants opinion from Justice Dept. before he does anything about it.

*Past affiliations:* Considerable questioning centered on McConnaughey's past activities as attorney for Ohio Bell Telephone Co. (AT&T) and Cincinnati & Suburban Telephone Co. (30% owned by AT&T). He said he felt his personal qualifications provided assurance he would act in public interest. Chicago attorney Harry R. Booth, representing Utility Users League, appeared in opposition to nomination on grounds McConnaughey has been "involved as an advocate upon the identical question on which he will now be required to pass for the FCC."

Sen. Bender (R-O.) made statement on behalf of McConnaughey, whose praise was also put in the record by committee members Bricker (R-O.) and Schoepfel (R-Kan.). Pres. Joseph P. Selly of American Communications Assn. (Ind.) also appeared to urge committee to probe McConnaughey's attitudes on "monopoly trends" in TV-radio, telegraph and international communications industries.

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AT&T's promised lower-cost off-air microwave TV service for stations off the beaten track (Vol. 10:51) is ready to be offered, phone company informed FCC this week. As for costs, AT&T Long Lines operations director Ralph L. Helmreich said preliminary estimates indicate that "the charges in cases involving distances of 100 to 125 miles . . . probably will average about half of those which would apply for direct connections to the network. In individual cases, the differences may vary substantially from this average—tending to be larger for shorter distances." Exact charges won't be known until a customer comes to AT&T and latter files tariff with Commission. AT&T action is victory for small-town operators who insisted they didn't need AT&T's best facilities and that they could build and operate their own far more cheaply. Another prospect for easing network costs cropped up this week with disclosure that Western Union officials are seeking to interest telecasters in microwave service claimed to be less expensive than that of AT&T. FCC turned down similar effort of WU several years ago, on grounds its plans were too vague and uncertain. One source said WU's current proposal is "revolutionary." During Senate hearing on confirmation of FCC Chairman McConnaughey this week (see above), union official Joseph P. Selly, pres. of American Communications Assn. (Ind.), urged that WU be encouraged to compete with AT&T in TV network service.

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Another telecaster selling AM adjunct in order "to devote its full attention" to TV is Darrold A. Cannan, owner of KFDX-TV, Wichita Falls, Tex. (Ch. 3), who filed for transfer of KFDX (10-kw day, 1-kw night, 990 kc, ABC) to Grayson Enterprises for \$100,000. Purchasers are Sid Grayson (50%), v.p.-mgr. of KMID-TV, Midland, Tex.; Nat Levine, investments (25%); Meyer Raban, auto dealer (25%).

Merger of off-air WNAM-TV, Neenah, Wis. (Ch. 42) and grantee WFRV-TV, Green Bay, Wis. (Ch. 5), whereby former gets control of latter, was approved by FCC this week (Vol. 10:49, 11:2). WNAM's S. N. Pickard family will have control; largest interest retained by WFRV-TV stockholders will be 10.9% each held by George Nau Burrige & Clayton Ewing.

WINK-TV, Ft. Myers, Fla. (Ch. 11) & WINK are now wholly owned by Arthur B. and Edward J. McBride (50% each), parent company United Garage & Service Corp. having acquired, for undisclosed sum, the 50% held by Daniel Sherby estate. United Garage has home office in Cleveland where it operates Yellow Cab Co.

Approval of \$45,000 sale of WRRR, Rockford, Ill. (1-kw, 1330 kc), was sought in application filed this week by Boyd Phillips. Purchaser is Wisconsin radio group headed by Wm. E. Walker of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11).

**S**ATELLITE PROPOSAL, in which FCC contemplates stations with powers as low as 100 watts and no minimum height (Vol. 10:51), drew quite a few comments on Feb. 25 deadline—though Commisison, at last minute, extended deadline to April 1 at request of RETMA.

Most comments were from small operators—and most of them endorsed lower power while warning that big-city stations shouldn't be permitted to smother or preclude independent small-town stations through use of satellites.

Frank C. McIntyre, of KLIX-TV, Twin Falls, Ida., due on air next month, stated: "There is inherent danger that a nationwide system of local or area TV stations could never be established should satellite stations be authorized indiscriminately." He saw 2 circumstances wherein satellites should be permitted: (1) When city within normal range of a station is blocked by geographical barriers, provided city doesn't already have a station or CP. (2) When economics of a city preclude a local station, provided city doesn't already get adequate service.

E. B. Craney, operator of KXLF-TV, Butte, Mont., suggested that 4 kinds of satellites and boosters be authorized—tailored to each area's needs. They range from low-power station doing local originations to unattended on-channel booster serving logging camps, etc.

Louis Wasmer, KREM-TV, Spokane, Wash., said he didn't oppose power reductions, provided other rules remain substantially same. "The satellite," he said, "even though it is locally owned, should be required to produce locally originated programs. Otherwise, the smaller communities will have no outlets for local self-expression. Even though it did nothing but rebroadcast the programs of its parent, the operation of a satellite would block the construction on that channel of a station which would offer local programs."

Archer S. Taylor, of Montana U physics dept., endorsing low power, calculated that 9 stations using 100 watts and 100 ft. antennas could reach 217,000 people for half cost of reaching 258,000 in those cities with stations employing 1 kw and 300 ft.

WILK-TV, Wilkes-Barre, Pa., stated that it endorsed FCC's objectives, but asked for safeguards against "monopolistic practices." It suggested that signal level from distant stations determine whether a town should have satellite—as opposed to using a 50-mi. rule of thumb.

KFXJ-TV, Grand Junction, Colo., said it "believes that satellite low-power stations should be permitted in communities not presently receiving acceptable service and so low in population that it is not reasonably expected that they could support a station." It suggests 25,000 population limitation and location based on available service, not on distance from existing stations.

Radio WABR, Winter Park, Fla., said satellites shouldn't be authorized until local AMs and others have had "fair opportunity" to enter TV.

Sole large operator responding was Crosley, which stated: "Use of satellite or booster TV stations should be made upon a case-by-case and area-by-area basis in order to achieve the plan for this service."

Dage TV Div., Thompson Products, was only manufacturer submitting comment. It stated that questions of low power and of satellite operation are separate; that low power should be authorized immediately; that actual satellite approval should be deferred until small communities have reasonable time to establish low-powered stations programmed on regular basis; that minimum hours of operation should be waived. It estimated that low-power station capable of telecasting film and network would run \$34,904; for film, network and one live camera, \$45,865; for film, network and 2 cameras, \$51,382. These exclude tower, transmitter building and studio, which, Dage said, would be negligible for many AM stations.

**T**EN NEW STATIONS have started operating thus far this year—and March should bring these 6 more: KLOR, Portland, Ore. (Ch. 12); KBET-TV, Sacramento, Cal. (Ch. 10); WTVT, Tampa, Fla. (Ch. 13); KLIX-TV, Twin Falls, Ida. (Ch. 11); KWTX-TV, Waco, Tex. (Ch. 10); KFDM-TV, Beaumont, Tex. (Ch. 6). Also due in March is another in Canada—CHEX-TV, Peterborough, Ont. (Ch. 12). [For details about Jan.-Feb. starters, see Vol. 11:3-7.]

As number of starters declines, so do orders for new-station equipment. Only such order reported by GE this week was from Texas State Network's upcoming KFJZ-TV, Ft. Worth (Ch. 11), due on air this summer, for 5-kw driver, 20-kw amplifier, 12-bay antenna, 2 studio cameras, portable 2-camera chain, 2 vidicon film cameras, 2 projectors. To existing stations, GE this week shipped 5-kw transmitter to WSJS-TV, Winston-Salem (Ch. 12); 5-bay helical antenna to CBS's new WXIX, Milwaukee (Ch. 19); 3-bay antenna to KGBT-TV, Harlingen, Tex. (Ch. 4).

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

WBRZ, Baton Rouge, La. (Ch. 2), has April 1 test pattern target, plans NBC & ABC programming before April 15, reports gen. mgr. Roy Dabadie. It has 10-kw RCA transmitter wired & ready for dummy load; 750-ft. Ideco tower is about 25% built and 12-bay RCA antenna is scheduled for installation by March 20. It's owned by Manship family, publisher of *Baton Rouge Advocate* and *Star Times*. City's other outlet, WAFB-TV (Ch. 28), began in April 1953. Base rate will be \$250. Rep will be Hollingbery.

KTBS-TV, Shreveport, La. (Ch. 3), granted Feb. 16, plans to be on air by Aug. 1, reports pres.-gen. mgr. E. Newton Wray. It asked for equipment bids this week, plans 1151-ft. tower. It will be second local outlet, KSLA (Ch. 12) having begun in Dec. 1953. Patrick J. White will be promoted from radio to TV station mgr.; C. H. Maddox to chief engineer; Marie Gifford, national sales mgr. Rep not yet chosen.

WHIS-TV, Bluefield, W. Va. (Ch. 6), has changed target to May, reports mgr. P. T. Flanagan for grantee *Bluefield Daily Telegraph*. RCA equipment is on order and 100-ft. Ideco tower is due to arrive in 2 weeks. Rep not chosen.

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Grant of new Ch. 12 station in Jonquiere, Que. to Radio Saguenay Limitee (Henry LePage, pres.), operator of radio CKRS there, was recommended by CBC this week. Town is about 20 mi. west of Chicoutimi at headwaters of Saguenay River. CBC also recommended request of CJON-TV, St. John's, Newfoundland, to change from Ch. 2 to Ch. 4 and increase power to 21-kw ERP.

Feb. 28 week network color schedules: CBS-TV—March 2, *Best of Broadway*, "The Guardsman," with Claudette Colbert, Franchot Tone, Reginald Gardiner & Mary Boland, 10-11 p.m.; March 6, *Jack Benny Show*, 7:30-8 p.m. NBC-TV—March 2, *Norby*, 7-7:30 p.m. Starting April 6, *Norby* will be changed to live program in black-&-white for several weeks, to be reconverted to film after changes in format have been agreed upon. Eighteen of the films, sponsored by Eastman Kodak, have been made, and 13 will have been shown by end of March. Cost of each is estimated at \$45,000.

DuMont reports color scanner shipment this week to WDSU-TV, New Orleans, and receipt of order for March 20 delivery to WAGA-TV, Atlanta. RCA shipped 3-V color camera Feb. 22 to WNHC-TV, New Haven.

Britain's 4,000,000th TV set was licensed early in Dec., according to figures released by Postoffice Dept.

**GOVT. KEEPS ALOOF FROM DISCOUNT FIGHT:** The significance of Federal Trade Commission ruling this week that it has no authority to help states enforce fair trade laws is simply this: There won't be any action by FTC either to assist or curtail the activities of discount houses in TV-radio-appliances or any other commodity. Under fair trade laws, which are on books in 42 states, manufacturers and retailers can set minimum prices for designated merchandise sold within those states.

This FTC hands-off policy with respect to discount house competition means dealers can cut prices below list without fear of Federal intervention. In fact, FTC declared retailers can cut prices "with impunity" to meet discount houses if a manufacturer is lax in enforcing price-fixing contracts under state fair trade laws. Fair trading in appliances is quite extensive, comparatively limited in TV-radio.

Govt. ruling came in letter to unidentified retail jewelers assn., which had requested investigation of fair trade enforcement practices in its industry. But FTC said its ruling was a statement of policy on all discount house relationships.

Various means of "self-help" are available to retailers in competing with the discount houses, said FTC. Besides ignoring prices fixed by a manufacturer who does not enforce his state fair trade contracts against all retailers alike, FTC advised dealers to go into state courts to get injunction preventing discount houses from selling specific items at less than fair trade prices. In such cases, said FTC, the retailer would have to prove only that the discount house operator knew what the fair trade prices were and that he wilfully disregarded them.

The jewelry group said it was under "moral compulsion" not to engage in price wars with discount houses. To which FTC replied: "It cannot seriously be suggested that price competition is morally reprehensible. A retailer forced to cut prices to compete [with discount houses] could do so with impunity."

NARDA's reaction was that FTC decision "imposes a serious blow to fair trade because of the almost impossible task of uniform enforcement." Managing director A.W. Bernsohn doubted, however, that any widespread "price war" would result.

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A new Congressional investigation of franchise agreements in major appliances and electrical housewares, including a study of where discount houses fit in picture, will be undertaken in near future by a House Small Business subcommittee headed by Rep. Roosevelt (D-Cal.). He said it was not planned to cover TV sets unless specific complaints are received, but a committee spokesman said it was hard to see how any such study could fail to cover TV, so intertwined are TVs and appliances. He also added that Philco's franchise agreements, on which a Dept. of Justice anti-trust complaint has been filed (Vol. 10:51), may also come under study of subcommittee.

[Note: Philco's answer to that complaint is due to be filed in U.S. District Court in Philadelphia on or before March 2.]

Roosevelt explained scope of his probe at press conference: "We have plans for our program to include inquiry into the distribution of electric equipment and appliances. We want to know whether a freer and better distributive system can be evolved which will not only aid the small businessman and the consumer but will also impose no burden or hardship upon the manufacturer. We believe that in many cases the manufacturer will actually find it in his own self-interest to work with the committee to see that the fullest possible play is given to free enterprise.

"We shall be interested particularly in the deleterious effects and results flowing from terms and conditions imposed on purchasers, lessees & franchise holders by big suppliers. Also, we shall expose the facts regarding the practice and effects of price discriminations in the areas I have mentioned."

TV production totaled 176,030 week ended Feb. 18, compared to 171,434 units in preceding week and 171,624 in week ended Feb. 4. It was 7th week of year, brought output to 1,175,000 for year to date as against 730,000 in same period of 1954.

Radio output totaled 271,942 (151,136 auto), compared to 261,827 preceding week and 264,693 week before. It brought 7-week total to 1,800,000, compared to 1,700,000 in corresponding period year ago.

**Topics & Trends of TV Trade:** Shipments of TVs to dealers in 1954 totaled 7,161,362, compared to production of 7,346,715, according to RETMA state-by-state report released this week. They compared with 6,704,193 shipped in 1953, when production was 7,215,827. New York led, with 653,852; California second, 517,935; Pennsylvania third, 465,785. Dec. shipments were 1,014,227, compared to 774,379 in Nov. and 660,515 in Dec. 1953. Here's state-by-state report for full year (county-by-county tables available to members from RETMA on request):

| State                | Total   | State          | Total     |
|----------------------|---------|----------------|-----------|
| Alabama              | 108,829 | New Hampshire  | 34,876    |
| Arizona              | 34,985  | New Jersey     | 202,155   |
| Arkansas             | 92,192  | New Mexico     | 24,487    |
| California           | 517,935 | New York       | 653,852   |
| Colorado             | 59,352  | North Carolina | 176,317   |
| Connecticut          | 95,560  | North Dakota   | 34,658    |
| Delaware             | 15,960  | Ohio           | 356,009   |
| District of Columbia | 47,895  | Oklahoma       | 102,161   |
| Florida              | 216,286 | Oregon         | 84,913    |
| Georgia              | 160,606 | Pennsylvania   | 465,785   |
| Idaho                | 41,679  | Rhode Island   | 24,356    |
| Illinois             | 439,127 | South Carolina | 99,891    |
| Indiana              | 216,884 | South Dakota   | 24,409    |
| Iowa                 | 157,285 | Tennessee      | 152,683   |
| Kansas               | 119,186 | Texas          | 379,646   |
| Kentucky             | 94,038  | Utah           | 27,850    |
| Louisiana            | 146,149 | Vermont        | 26,324    |
| Maine                | 92,954  | Virginia       | 122,330   |
| Maryland             | 85,703  | Washington     | 126,418   |
| Massachusetts        | 190,475 | West Virginia  | 80,735    |
| Michigan             | 295,771 | Wisconsin      | 191,612   |
| Minnesota            | 145,082 | Wyoming        | 8,088     |
| Mississippi          | 59,239  |                |           |
| Missouri             | 204,599 | U. S. TOTAL    | 7,147,953 |
| Montana              | 26,588  | Alaska         | 3,166     |
| Nebraska             | 75,443  | Hawaii         | 10,243    |
| Nevada               | 8,596   |                |           |
|                      |         | GRAND TOTAL    | 7,161,362 |

**DISTRIBUTOR NOTES:** Emerson creates new factory branch, Emerson Radio of Buffalo Inc., headed by Emerson Radio of Ohio pres. Murray Gennis, replacing M&N Distributing Co.; Emerson Radio of Florida Inc. expands territory to include all of state, taking over Jacksonville-Orlando distribution from Peaslee-Gaulbert Co. . . . Admiral Chicago factory branch appoints Ray Peters TV sales mgr., succeeding Wm. Oppenheim, now mgr. of Baltimore branch; Admiral Pittsburgh names Irwin Schutzer, ex-Keps Electric Co., as sales mgr. . . . Arnold Wholesale Corp., Cleveland (Zenith) elects L. L. Gustafson pres., succeeding late Robert C. Hager . . . Westinghouse Electric Supply Co., San Francisco, names Martin B. Sauer western regional mgr. for consumer products, succeeding Louis G. Berger, now in charge of apparatus & supply div.; J. R. Achilles transferred from Dallas as consumer products sales mgr. . . . Arvin: Paige E. Mulhollan Co., Ft. Smith, Ark. & Tulsa, replacing Wholesale Supply Co., Little Rock . . . Apollo Distributing Co., Newark (Crosley-Bendix) creates separate electronics div. for Crosley TV receiver merchandising, under v.p.-gen. mgr. Bernard Walsh . . . CBS-Columbia N. Y. factory branch names Jerome Rosner, ex-Motorola, as comptroller.

Allied Electric Products Inc., Irvington, N. J., on behalf of subsidiary Sal-Mar Laboratories Inc., this week filed civil anti-trust action against RCA in Federal district court in Newark. It asks for triple damages of \$2,250,000, alleging illegal pooling of patents and "onerous and illicit exactions, fees and royalties." Counsel are Arnold, Fortas & Porter, Washington, and Robert F. Colquhoun, Newark. Plaintiff also asks the Federal court to halt RCA suit for \$175,000 back royalties filed last Nov. in Hudson County Superior Court.

**Trade Personals:** Don G. Mitchell, Sylvania chairman since 1953, also resumes presidency vacated by recent death of H. Ward Zimmer; Frank J. Healy, Sylvania v.p.-operations, lighting div., elected a director . . . Robert C. Sprague, chairman, Sprague Electric, appointed director of Boston Federal Reserve Bank, term ending Dec. 31, 1957 . . . Kenneth C. Prince resigns as exposition mgr. of International Sight & Sound Exposition Inc., operators of annual high-fidelity shows, selling his stock to S. I. Neiman, show pres. . . . Ralph Walch promoted to asst. treas., Magnavox . . . Hal B. Cook appointed sales director, Columbia Records, succeeding v.p. Paul J. Wexler, reassigned as operations director of Columbia Electronics Products, a new div. for all of company's products other than records (phonographs, transcriptions, precision plastics); Cook is succeeded as sales mgr. of Capitol Records Inc. & v.p. of Capitol Records Distributing Corp. by John K. Maitland, Chicago district sales mgr. . . . James W. Safford, onetime Sylvania eastern sales mgr., resigns as Andrea Radio sales mgr. . . . Walter S. Lefebvre retires as market development mgr., Sylvania TV-radio div. . . . Charles Butcher, chief engineer of CBS-Hytron plant in Newburyport, Mass., promoted to plant mgr. . . . Grant R. Loomis promoted to asst. gen. traffic mgr., Stromberg-Carlson TV-radio dept. . . . Allen B. DuMont Jr. transferred from DuMont CR tube div. to TV receiver sales div. as asst. merchandising mgr. . . . E. Eugene Ecklund, from instrument div., named DuMont mgr. of automotive test equipment sales . . . Robert J. Murray named service mgr., National Co., Malden, Mass., replacing Don Swain, resigned . . . Harvey Finkel, recently returned from military service in Korea, named gen. production mgr. of JFD Mfg. Co.—the 7th son of pres. Julius Finkel to join firm . . . Walter Jablon, ex-Freed Electronics & David Bogen Co., succeeds Burt U. Levy as sales mgr. of Radio City Products Co., Easton, Pa. (test equipment) . . . W. J. O'Brien named Canadian Marconi public relations mgr., Montreal . . . C. A. Parris, ex-National Electrical Mfrs. Assn., joins RETMA engineering dept. on military engineering problems & specifications . . . Joseph Martin resigns as music editor of *Billboard* to become eastern div. director of Mercury Records, N. Y.

Conviction of Jacob Freidus, onetime large stockholder in now-defunct Starrett Television Corp., on charge of falsely stating to RFC that Starrett had assets of approximately \$600,000 in connection with his proposed purchase of Kansas City juke-box maker Aireon Mfg. Corp. (Vol. 9:51), was voided this week by U. S. Court of Appeals in Washington. He was convicted in Dec. 1953, sentenced to 1-3 years in prison and fined \$10,000. Before that, he was convicted in N. Y. in separate case involving tax fraud and was sentenced to 4-year prison term.

Nathan Chirelstein, 55, chairman of board of Allied Electric Products Inc., whose Sheldon Electric Co. div. makes CR tubes, died Feb. 19 at Irvington (N. J.) General Hospital after a short illness. He founded Allied in 1933, was pres. until 5 years ago. He formerly headed Sonatron Tube Corp., Newark. Surviving are his widow, son and daughter.

Frank J. Feely, 63, wartime mgr. of Western Electric manufacturing operations, who retired in 1952, died of a coronary thrombosis Feb. 22. He leaves his wife, a son and daughter.

**Electronics Reports:** Leaders in the electronics manufacturing industry aren't only ones with penchant for forecasting miracles to come. From Dr. Vannevar Bush, pres. of Carnegie Institution of Washington, these possibilities for "improvement in communications" were suggested in address on that subject last week before American Society of Mechanical Engineers:

Televised telephone conferences among a number of persons at different time; a machine that "would type when we talked to it"; a system of coding messages that would make almost all mail sorting automatic; disappearance of metal type and a trend to national newspapers and more nearly current magazines; coded telegrams keyed to preselected data already in the hands of the recipient; domestic alarm systems that would automatically call the fire dept. whenever there is either undue smoke or excessive heat in any part of a house; a system that will permit the position of every airplane in the sky to be known centrally at all times, and possible extension of a similar system for freight shipments and trucks.

"Entertainment is a form of communication," said Dr. Bush. "I think that it is fortunate that entertainment and advertising have made possible the enormous growth of advertising and television. Together with the press and magazines, these media are producing an informed electorate and a united public opinion throughout the country beyond anything that was possible without them. Of course, there are and will be abuses so long as clever men try to sway multitudes for selfish purposes. But I suspect that a demagogue would have to be superhuman to put over a false act on the American people when he appears before them on their TV screens at so close range that they can almost count the hairs on his eyebrows.

"I also suspect, although perhaps I am overoptimistic, that the very weight of advertising that is thrown at the public today is developing a healthy skepticism, and that this may in time necessitate a greater reliance on reason and less on mere repetition. Bacteria, when they are attacked by an antibiotic, sometimes mutate and escape its destructive effects. A public attacked by slogans may find some equivalent protection."

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Emitron Television Ltd., of England, has changed name to EMI Electronics Ltd., which will be a controlling and coordinating company absorbing as subsidiaries EMI Engineering Development Ltd., EMI Factories Ltd., EMI Research Laboratories Ltd. Firm is managed by W. C. Morgan, is concerned with design, development & marketing of all electronic devices other than Govt.—including TV broadcasting equipment, TV transmitting tubes, microwave links, RF heaters, test equipment. It's also concerned with automation and color TV. Board comprises L. F. Lockwood, L. J. Brown, G. E. Condliffe, C. Metcalfe, J. B. Steveson, S. J. Preston.

Military equipment panel was established this week by RETMA engineering dept., under chairmanship of H. M. Hucke, Bendix Radio. It consists of 6 committees: components engineering coordination (S. W. Cochran, RCA, chairman); drawing standardization (W. J. Myers, GE); test equipment & procedure (E. H. Jones, Bell Labs); apparatus specification (A. M. Okun, Bell Aircraft); electronics systems (J. A. Biggs, Collins Radio); electronic applications (L. M. Clement, Crosley).

John R. O'Brien, ex-Corning Glass, lately head of own engineering services firm, named to new post of eastern div. mgr. of Hoffman Labs div., headquartering in Washington; he's in charge of electronic sales activities in East.

New junction transistors announced this week: 2N104, for low-power audio applications, by RCA; 2N82, high-temperature amplifier, by CBS-Hytron.

**Financial & Trade Notes:** RCA did \$940,950,220 business in 1954, bettering by 10.2% its previous high of \$853,054,003 in 1953—and tripling volume of only 7 years ago. No detailed breakdowns by divisions are disclosed in annual report, mailed to stockholders this week, but company's largest volumes are usually achieved in network-station operations and in set sales. Report disclosed that NBC billings went up 14.3% to new record; that TV set sales also reached record proportions, though amount is undisclosed beyond statement that RCA produced its 5,000,000th TV receiver and "sold a greater number of TV sets in 1954 than in any previous year"; that govt. orders accounted for about 24% of all sales.

Net profit in 1954, before Federal income taxes, was \$83,501,459; after taxes, \$40,525,459 (\$2.66). In 1953, corresponding figures were \$72,436,778 & \$35,021,778 (\$2.27). Gain in earnings was 15.7%. Report notes that all taxes actually totaled \$81,815,000 last year, including \$26,862,000 in excise taxes; this was equivalent of \$5.85 per common share, or more than double year's net profits.

Backlog of govt. orders was in excess of \$300,000,000 at year's end. Military and commercial electronic apparatus sales were reported up 29%. NBC-TV network was said to have gone up "substantially" while radio network showed "moderate decline in line with the industry trend." NBC spot sales were reported up 25% in TV, 14% in radio. RCA participated in industry boom in phonographs and records, and report predicts all-industry volume in records should rise to \$300,000,000 in 1955 from \$225,000,000 in 1954.

Total assets rose to \$548,325,244, new high, from \$493,624,730. Current assets were \$386,522,521, up from \$349,734,691; current liabilities rose to \$151,657,517 from \$120,794,396. Employees total 70,500, up 5500 in year.

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Western Electric Co., which is more than 98% owned by AT&T, achieved record gross sales of \$1,526,231,329 in 1954 compared with \$1,507,953,132 in 1953. Net of \$55,836,430 in 1954 compared with \$52,604,613 in 1953. Sales to Bell System were 67% of total, amounting to \$1,019,279,000; sales to Govt. were \$452,200,000, compared with \$440,204,000 in 1953. Company paid \$34,650,000 in dividends to AT&T in 1954.

Stromberg-Carlson Co. reports 1954 net earnings of \$1,981,754, or \$3.65 per share on 509,115 shares of common stock outstanding as of Dec. 31, 1954. This is up 19% from the \$1,667,308 of 1953, or \$3.40 on 484,551 shares. Sales totaled \$63,509,429, slightly under record \$65,241,861 of 1953. Pres. Robert C. Tait predicted increases in both sales and earnings this year.

ElectroData Corp., Pasadena, Cal., electronic computer affiliate of Consolidated Engineering Corp., will shortly file SEC registration statement covering common stock issue for about \$2,000,000 in new capital, according to pres. James R. Bradburn.

More on upturn in the movies (Vol. 11:8): Paramount Pictures shows 1954 net profit of \$9,003,000 (\$4.10 a share) vs. \$6,779,563 (\$3.06) in 1953. Republic Pictures for year ended Oct. 31 earned \$804,202 vs. \$697,217.

W. L. Maxson Corp. has authorized 2-for-1 stock split, pres. H. A. Leander announced Feb. 24.

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Dividends: Consolidated Television & Radio Broadcasters Inc., 23¢ on common, 5¢ on "B" common, April 1 to stockholders of record March 15; WJR The Goodwill Station Inc., 10¢ March 10 to holders March 1; Stromberg-Carlson, 40¢ March 31 to holders March 15; Oak Mfg. Co., 35¢ March 15 to holders March 3; Sprague Electric, 30¢ March 14 to holders Feb. 28; Sylvania, 50¢ April 1 to holders March 11; Hoffman Electronics, 25¢ April 1 to holders March 15.

**C**ONGRESSIONAL INQUIRIES into TV-radio marked time this week as committees laid ground-work, sought personnel, etc. Senate Commerce Committee's probe, which got under way during last session, won't resume actively until special counsel and other personnel are selected, although replies by FCC and Justice Dept. to issues raised in Plotkin Memorandum (Vol. 11:6) are due next week.

Chairman Magnuson (D-Wash.) has received batch of applications for top investigation job, and this week was "looking over some possibilities" in his home state. At present time, he favors selection of chief counsel from outside broadcasting industry, perhaps picking industry-oriented personnel for secondary jobs. Republican members of committee have been offered opportunity to select "minority counsel," but probably won't exercise that option if convinced that candidate selected by Sen. Magnuson is neutral.

Meanwhile, Senate Judiciary Committee's anti-trust subcommittee, headed by Sen. Kilgore (D-W. Va.), asked Senate for \$250,000 to carry out its all-encompassing "monopoly" investigation. While TV-radio industry probe was once highly touted by Kilgore, it now appears that it may be minor part of the overall investigation. Committee's request for funds mentions no specific industry.

Another Judiciary subcommittee—Sen. Kefauver's juvenile delinquency probers—asked \$150,000 for another look-see into causes of crime among youth, with additional hearings on TV's impact promised. Formerly headed by Sen. Hendrickson (R-N. J.), subcommittee had prepared draft report on TV, but never issued it.

House Commerce Committee, under Rep. Priest (D-Tenn.), this week received routine authorization from House to "make investigations and studies" into a number of matters, including "the allocation of channels to radio & TV stations, educational TV, subscription & theatre TV, the administration by the FCC of the statutes which it administers." A committee spokesman said no TV-radio investigations were currently in prospect.

Bill to exempt TV-radio stations from libel action for statements made by political candidates (S-1208) was introduced Feb. 25 by Sen. Butler (R-Md.), member of Senate Commerce Committee. Measure would free stations of liability for statements by "a legally qualified candidate for public office" unless they participate "willfully, knowingly and with intent to defame." Butler said in statement accompanying bill: "Present law places the radio & TV industry at a distinct disadvantage. In effect, it also places the broadcasters in the unpleasant and un-American role of censor."

Long rivalry of Azcarraga-O'Farrill interests, which own all TV stations in Mexico City and hold most construction permits outstanding (see *TV Factbook No. 20*, p. 237), has ended with their merger into one big holding company as result of negotiations conducted since 1952 by Monte Kleban, ex-Texas broadcaster (Vol. 8:26 & 10:51). Theatreman-broadcaster Emilio Azcarraga and industrial-publisher Romulo O'Farrill each owns 50%.

NARTB insurance committee reports more than 600 stations have taken out tower insurance since program began in July 1953. At meeting this week, committee voted over-all study of all insurance available to broadcasters and will continue special studies of libel and slander insurance by research mgr. Richard Allerton.

President Eisenhower has 11 TVs scattered around the White House, his Gettysburg farm and his vacation domiciles in Georgia & Colorado, reports *TV Guide*, impelling *Washington Star* critic Harry MacArthur to observe, "Man gets to be President he doesn't have any privacy at all any more."

TV-radio implications of *Kansas City Star's* conviction Feb. 22 by a Federal court jury on criminal anti-trust charges won't be determined until there's decision in the companion civil anti-trust suit which was also filed by Justice Dept. when the newspaper was indicted by grand jury Jan. 6, 1953 (Vol. 9:2). Civil suit demands newspaper company be required to dispose of its pioneer WDAF-TV & WDAF, but trial was held in abeyance pending outcome of criminal case. Under Communications Act of 1934, FCC has discretionary authority to revoke license of any firm convicted of anti-trust law violations. Earl A. Jinkinson, chief govt. counsel, said he was eager to complete action on civil suit and would seek a summary judgment on basis of evidence submitted during trial. Newspaper firm was given until March 21 to file motion for new trial. Its adv. director Emil Sees was also convicted of attempting to monopolize dissemination of advertising & news but was acquitted of actually monopolizing. Among charges on which *Star* was convicted: refusing or threatening to refuse space to advertisers who used competing media, or who purchased larger ads in other publications; discriminating on space and location of ads; attempting to coerce advertisers into buying unreasonable amounts of space in *Star*; requiring certain advertisers to buy space both in *Star* and in its morning edition, the *Times*, without giving them an option; refusing to sell subscriptions separately to *Star*, *Times* & *Sunday Star*. Commented pres. Roy A. Roberts: "The real and ultimate goal of the anti-trust division is to break down the *Star's* circulation plan of 13 papers a week—morning, evening & Sunday—for one subscription price."

Ugly business of blacklisting TV-radio personalities hit the headlines again this week with admission by Harvey Matusow, turnabout ex-Communist, that he had falsely accused persons of Communist associations on a blacklist he drew up for Lennen & Newell in 1952, for which he claimed he was paid \$150. Agency v.p. F. C. Barton Jr. promptly denied Matusow was paid for blacklist, said he was paid only for 3 years of back issues of *Counterattack Magazine*, an anti-Red publication for which he worked at the time. In testimony in N. Y. Federal Court this week, Matusow said he was commissioned by Lennen & Newell to draw up a blacklist because a Syracuse supermarket operator had threatened to boycott Schlitz Beer because of allegedly "objectionable" talent on its *Schlitz Playhouse of Stars*. He testified he also worked with BBDO on a blacklist also wrongfully accusing many performers. BBDO denied existence of any blacklist. Meanwhile, Ford Foundation's Fund for the Republic, which is currently backing full-scale investigation of blacklisting in the entertainment field being conducted by John Cogley, ex-editor of *Commonweal*, discloses it expects to release report in June. Fund pres. Robert M. Hutchins indicated at recent press conference that entertainment executives regard blacklist as a nuisance, want it dropped.

Industry's finest annual public service, Voice of Democracy essay contest for high school students (Vol. 10:38, 45) sponsored jointly by RETMA & NARTB, was climaxed at luncheon in Washington Feb. 23 when TV sets and \$500 scholarship checks were given to 4 national winners. Arvin CBS-Columbia, Raytheon & Westinghouse receivers were given winners, who read excerpts of their essays on "I Speak for Democracy." Presentations of the sets were by RETMA exec. v.p. James D. Secrest, checks by U. S. Education Commissioner Brownell. All 52 state & territorial winners received TV sets donated by 26 firms.

AT&T network interconnection schedule for March: KTVK, Phoenix, March 1; KFOR, Portland, Ore., March 9; KBET-TV, Sacramento, March 13; WPRO-TV, Providence, March 15; WLEX-TV, Lexington, Ky., March 17.