

WEEKLY **Television Digest**

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

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**Other Departments**

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**SEC. 315 LIBEL IMMUNITY WON BY STATIONS:** Beleaguered broadcasters won big victory—relatively speaking—on one equal-time front last week. While industry pressed campaign in Congress to rewrite Communications Act's Sec. 315 (see p. 5), Supreme Court—by narrowest of margins—resolved long-pending equal-time libel issue in stations' favor.

Stations aren't legally responsible for libels committed by political candidates who invoke Sec. 315 to make statements which broadcasters are prohibited (by the same law) from censoring. That was court's 5-4 decision in the case of Farmers Union vs. WDAY-TV & WDAY Fargo, N.D. (Vol. 15:13).

Argument that broadcasters are liable for what candidates say on air—even if their speeches can't be screened by stations for defamatory material—was knocked down by majority. Justice Black wrote: "Under this interpretation, unless a licensee refuses to permit any candidate to talk at all, this section would sanction the unconscionable result of permitting civil & perhaps criminal liability to be imposed for the very conduct the statute demands of the licensee."

Sec. 315 itself "grants a licensee an immunity from liability for libelous material it broadcasts" under equal-time rules, said Black. Concurring with his opinion were Chief Justice Warren and Justices Douglas, Clark & Brennan.

But damned-if-you-do-damned-if-you-don't quandries confronting broadcasters who try to operate within letter & spirit of Sec. 315 were pointed up in 12-page dissent by Justice Frankfurter, joined by Justices Harlan, Whittaker & Stewart.

Never mind any "unconscionable" impositions on broadcasters, said Frankfurter; Sec. 315 says what it says—no more, no less. He pointed out that Congress has always refused to write any explicit exemption from libel actions into Sec. 315. Moreover, he said, there's nothing in Communications Act or in "Congressional purpose" which supersedes state libel laws, such as were invoked by Farmers Union in suing WDAY Inc. for \$100,000 as result of 1956 speech by Senatorial candidate A. C. Townley, who said union was Communist-dominated.

Dissenters agreed with majority that "WDAY could not have lawfully deleted from A. C. Townley's broadcast his defamation of petitioner." But they didn't go along with Black's conclusion: "Certainly Congress knew the obvious—that if a licensee could protect himself from liability in no other way but by refusing to broadcast candidates' speeches, the necessary effect would be to hamper the Congressional plan to develop broadcasting as a political outlet, rather than to further it." Frankfurter said the case should be sent back to N.D. Supreme Court "to determine the nature & extent of the liability, if any, of broadcasters to third persons." State court had ruled in favor of WDAY.

Court's ruling was hailed by NAB pres. Harold E. Fellows as "gratifying to all Americans because it reflects the sense of fair play which is traditional in this country." He said it releases broadcasters from "legal vise of a federal statute on one hand & state libel laws on the other." Decision also made it likely that Congress again will skip libel issue in any revision of Sec. 315 this session.

**CATV & BOOSTER CONTROLS CONSIDERED CERTAIN:** FCC is going to be regulating community antenna systems and boosters sooner or later. That much was apparent from start of hearings on the subject last week before Senate Commerce subcommittee under Sen. Pastore (D-R.I.). Just about everyone wants Communications Act amended to require Commission regulation—Congress, stations, CATV & booster operators. And it looks as if FCC is ready to go along, albeit rather reluctantly.

New legislation this year is unlikely because it's so late in Congressional session, but its bound to come before long. Big question remains, however, as to kind of legislation to be enacted & who is to be protected from whom. If the voluble Pastore's comments are to be taken literally, he certainly will be loath to restrict CATV anywhere near as much as desired by station witnesses. Time & again, he asserted that he wasn't concerned with economic welfare of stations vs. CATV but with "the public interest." More specifically, he showed dislike of Moss-Murray bill (S-1886) which would require FCC to prohibit CATV where it would "adversely affect the creation or maintenance of a station which will originate local TV programs" (Vol. 15:26). He'd prefer that FCC make its determinations on a broad "public-interest" standard. Finally, he came down to this:

"Do we trust a regulatory commission? If they're not doing the job, they ought to be kicked out. But I don't think they should be handcuffed." Station witnesses made it clear they don't believe FCC is interpreting "public interest" properly because it isn't giving highest priority to protection of local stations. But FCC again indicated it's not eager to undertake job of predicting & judging a station-CATV competitive situation.



CATV operators are resigned to being regulated, in fact welcome it. They're back of S-2303, introduced last week by Sen. Monroney (D-Okla.), which would require FCC to control CATV precisely as it does broadcasting.

Everyone goes along with booster regulation, too. Problem is—how strict? Booster operators want minimum of technical restrictions, so they can keep costs down. Even CATV operators see no sense in fighting boosters, though they're pitching for tight rules. Booster operators made an impressive case, shepherded by venerable but vigorous ex-Sen. Ed Johnson (D-Colo.) former chairman of Commerce Committee and ex-governor of Colorado.

Hearing resumes July 7 with more station witnesses, continues July 9. CATV gets its innings July 14-15, and FCC is in the windup July 16. (For details of this week's testimony, see p. 10.)

**THE OLD ORDER CHANGETH:** Last week saw 3 major changes in long-established alliances & allegiances within the now-TV-dominated film industry. All have been brewing for many months, and though it's coincidence that they broke the same week, each in its own way points up tremendous importance of TV in Hollywood's new scheme of things:

(1) Five-year-old Walt Disney-ABC alliance began to crack up with Disney suit against the network to invalidate their contract. Agreement was front-page news in 1954 (Vol. 10:14), and, according to industry talk, was signed because ABC was only network willing to cooperate in ownership (and promotion) of now fabulously successful Disneyland Park.

Disney obviously is anxious to place his shows on other networks and into syndication—prevented by exclusive ABC deal. He also would like to buy back ABC's share in Disneyland Park for 10 times what the network paid for it. It's understood that Disney—in addition to seeking wider variety of outlets for his TV shows—is somewhat irked by movie-oriented ABC's increasing chumminess with Warner Bros. and 20th Century-Fox. Thus one of the few exclusive movie producer-TV network deals seems destined to come to an end. (Details on p. 8.)

(2) Ziv TV Programs Inc., one of very biggest TV film producers & syndicators—and certainly the biggest privately-owned TV film company—changed hands last week in \$14 million deal with investment bankers F. Eberstadt & Co. and Lazard Freres. Probability is that stock will be offered to public, but there's also talk that United Artists—now expanding broadly in TV—may buy in. Deal follows by 6 months the public sale of stock by another huge TV film entity, Desilu Productions. (Details on p. 17.)

(3) Republic Pictures, first movie major to go all-out for TV, was sold, veteran pres. Herbert J. Yates stepping down as its leader and controlling stockholder. Object of stormy stockholder complaints, Yates' policies have been strongly TV-oriented—and before most majors were in TV at all, Republic was making more money from TV than theatrical films. Most controversial of Yates' actions had been release to TV of post-'48 features—which resulted in talent unions' barring Republic from film production.

Republic's important activities now include its Consolidated Film Labs—largest processing labs in industry—its TV-film production lot and its TV feature film backlog. Under new management, company may be free to go back into production of TV and perhaps theatrical film. Thus Republic—by changing its ownership, management, and possibly its name—may have found neat formula for negating talent unions' blacklist. (Details on p. 17.)

Note: TV's effects on network radio were felt again in another major shake-up last week when woe-beset Mutual network filed voluntary bankruptcy petition with liabilities of \$3,195,207 and assets of \$579,607 and was taken over by another set of new owners in 4th management change in 2 years (see p. 7).

**ALLOCATIONS SOLUTIONS STILL ELUDE FCC:** FCC's attempts to implement its proposed "interim" TV allocations plan (Vol. 15:17 et seq.)—addition of a third vhf channel to major markets by cutting mileage separations—continue to be unsuccessful. A meeting last week again came to no conclusion on how to do it.

One important development, however, is a fairly strong agreement among Commissioners that a cut to as little as 130 miles, researched by staff, would produce so little that it wouldn't be worth the candle. Furthermore, it would require what is regarded as an unreasonable amount of channel shifting among operating stations, plus too many transmitter-site moves.

Some Commissioners are becoming discouraged about the mileage-cut approach, and it's possible that FCC may have to decide that the concept just didn't prove out. Commission is due to give Senate Commerce Committee a progress report in testimony expected later this month.

Commission continues negotiating with Office of Civil & Defense Mobilization, to determine whether more vhf channels can be obtained for TV—but there's nothing conclusive yet in that area either. An FCC-OCDM progress report is still due about July 15, but it won't give any flat "yes" or "no" answers.

FCC will continue the status quo for some time, therefore, continuing its truly painstaking study. "We'll have the facts," says one Commissioner, "something we've never really had before. Then, I believe, the answer will suggest itself quite obviously. It doesn't now."

Commission has concluded its big 25-890-mc hearing (see p. 6), but it can be assumed that no major shakeups will be ordered among all the services using the space, pending resolution of the TV problem—because TV, particularly uhf, occupies a big chunk.

**SOME TABOOS TO BE TABLED:** TV film, once beset by sponsor & agency taboos, next season will be freer of such restrictions than ever before. While some agencies will still be iron-fisted about their taboos, generally the pattern will be to give producers more latitude. That's what we're told by Coast producers, network executives and ad agency executives. Reason: sponsor desire for improved product & more provocative programming.

Still stringently verboten will be homosexuality, excessive violence for shock value only, and other themes. However, film makers point out, most of these are taboos which would probably be observed even if there were no dicta against them. For details, see p. 13.

**BRIGHT FM OUTLOOK SEEN IN STATION TOTALS:** Intriguing thing about AM & FM station development in first half of this year is the continued upsurge of FM. Matter of fact, total FMs authorized (licenses & CPs) increased more than AMs—79 vs. 72—while new FM starters almost equaled AMs, 49 vs. 54. In AM, there are 3495 licenses & CPs, 3372 of them operating. FCC has a monstrous AM pending-application file, however, with 645 for new stations and 636 for changes of facilities sought by existing stations. In Jan.-June, 4 licenses & 2 CPs were relinquished.

There are 2 reasons for FM's fine showing vis-a-vis AM. First is FM's growing economic attractiveness. Second, of course, is the severe AM processing problem at FCC.

As of June 30, we find 765 FM authorizations outstanding, 620 of them on the air, balance unbuilt CPs. There are 67 applications pending. During 1959's first half, mere 5 FM licenses & 4 CPs were dropped.

It's interesting to chart the post-war expansion, shrinkage and current reinvigoration of FM. Here's the record:

FM			FM		
Year	Licenses & CPs	On Air	Year	Licenses & CPs	On Air
1945	288	48	1953	602	550
1946	684	140	1954	583	549
1947	1010	374	1955	557	536
1948	976	687	1956	559	528
1949	791	728	1957	588	537
1950	706	672	1958	686	571
1951	654	640	1959	765	620
1952	648	612		(6 mo.)	

Surprising element in these figures was the relatively small dip in light of the fact that FM stations, until recently, usually produced little or no income. Reason for their continued operation is that most are adjuncts of AMs and don't cost much to run.

AM picture has been one of uninterrupted increase. Here's post-war AM trend as of each year's end:

AM			AM		
Year	Licenses & CPs	On Air	Year	Licenses & CPs	On Air
1945	1056	913	1953	2644	2451
1946	1579	1027	1954	2782	2662
1947	1961	1586	1955	2941	2814
1948	2131	1877	1956	3140	3024
1949	2246	2045	1957	3289	3180
1950	2351	2199	1958	3423	3318
1951	2410	2306	1959	3495	3372
1952	2516	2377		(6 mo.)	

**LATEST CONTENDER IN 'TALLEST' SWEEPSTAKES:** Come November, if all goes well, KFVS-TV (Ch. 12) Cape Girardeau, Mo. will claim "world's tallest man-made structure" title, with a 1673-ft. spire. Station let contract last week to Dresser-Ideco, and owner Oscar Hirsch specified a November target date. New structure will top the 1610 ft. of KSWs-TV Roswell, N.M., now title-holder, and Russia's proposed 1625-ft. Moscow project (for tall tower roundup, including all those over 1000 ft., see Vol. 15: 21). Tower will weigh about 350 tons, have triangular cross-section 12 ft. on a side, will be guyed at 6 levels. It will be surmounted by 12-bay GE batwing and include provisions for future side-mounting of FM antenna at 1570-ft. level. Cost hasn't been reported, but station's application with FCC estimated it at \$284,000.

## Congress

**SEC. 315 & 'FAIRNESS':** Can broadcasters be trusted to play fair politically? Or would they play favorites if news programs were to be exempted from the Communications Act's equal-time requirements? And when is a newscast not a newscast? These questions were posed again & again—and never fully resolved—at the 3-day House Commerce communications subcommittee sessions last week, winding up Congressional hearings on the proposed Sec. 315 amendments to reverse FCC's Lar Daly ruling (Vol. 15:8-16, 18-26).

The broadcasting-industry-spurred campaign on Capitol Hill to get relief from Sec. 315 at this session wasn't sidetracked by the inconclusive House hearings. But some of the drive's momentum, built up in Senate hearings last month, was lost. "It's a very complicated & difficult problem," said House Commerce Chairman Harris (D-Ark.).

The Senate Commerce communications subcommittee headed by Sen. Pastore (D-R.I.) meanwhile closed the record on its hearings after receiving last-minute statements. They included one from the American Civil Liberties Union urging that "bona fide" newscasts be exempted from Sec. 315, but suggesting that a Presidential commission explore broader equal-time issues. The Pastore subcommittee had been expected to meet last week to work on its report, but its members took off for the 4th of July weekend without getting together.

Just before he opened the hearings, Harris introduced his own bill (HR-7985) to amend Sec. 315. Similar to a flock of other House measures on the subject, it would exclude newscasts, news interviews, news documentaries, on-spot coverage, panel discussions and "similar-type" programs from equal-time privileges for political candidates.

But Harris displayed little pride of authorship. He said he was not yet satisfied with definitions of some of his own classifications of news shows. And there were no immediate moves by the House subcommittee to push along any of the bills toward action by the House itself.

The subcommittee's questions about broadcasters' political fairness got earnest answers from network spokesmen, station operators & others in a long parade of industry witnesses: Broadcasters are responsible men who are responsive to the public interest in news presentations. And if they aren't, they know they'd better act that way. Or they'll be in trouble at FCC license renewal time.

No subcommittee member defended the Lar Daly ruling. None cited case histories of persistent abuse by stations of equal-time principles. But Democrats & Republicans alike rejected industry arguments that Sec. 315 should be repealed altogether. And such members as Reps. Moss (D-Cal.), Flynt (D-Ga.), Rogers (D-Tex.) and Bennett (R-Mich.) were openly dubious about how much leeway should be given broadcasters.

"Is that a power which we should leave solely to the broadcasters?" Moss wanted to know. "I'd like to feel they all are objective, but I have knowledge that is not always the case." At another point Moss asked: "Do you know of any other industry regulated in the public interest which is permitted to determine the public interest for themselves?"

Testimony at the House hearings was largely a repeat of Senate's (Vol. 15:25-26). Among those appearing:

**FCC Chairman Doerfer:** Sec. 315 should be repealed. It's "inconceivable" that a broadcaster would risk losing his license "by attempting to discriminate between contending candidates and the public's right to see & hear news."

**CBS Inc. pres. Frank Stanton:** If the Lar Daly dictum

is continued into the 1960 presidential campaigns, and TV & radio are required to give equal time to the "vegetarian party, or the greenback party," a literal blackout of political coverage will be forced on broadcasters.

**NBC pres. Robert W. Sarnoff:** The Lar Daly ruling is "unsound in principle, unrealistic in practice and harmful in effect."

**ABC news & public affairs dir. Francis Littlejohn:** "legislative action is critically necessary."

**NAB pres. Harold E. Fellows:** The Supreme Court's decision last week that broadcasters aren't responsible for libelous statements by equal-time politicians (see p. 1) brought "common justice" to stations. But the newscast issue "transcends even this matter."

**Radio-TV Directors Assn. pres. Ralph Renick (WTVJ Miami):** Sec. 315 should be repealed. But short of that, equal-time requirements should apply only to paid TV & radio appearances by candidates.

Other witnesses included Democratic natl. chairman Paul Butler, who called the Lar Daly decision "unwise" and urged newscast exemptions; Lar Daly himself, demanding "equal justice for all" against "awesome dictatorial power" of broadcasters; and acting Asst. Attorney Gen. Robert A. Bicks.

A partisan flareup within the subcommittee was provoked by Bicks, who appeared in place of Attorney General William P. Rogers to defend the Justice Dept.'s intervention in the Lar Daly case (Vol. 15:25) and ask that "Congress act now to overturn" the ruling. Rep. Flynt asked Bicks for a fuller explanation of Justice's intervention, which had been challenged by Democrats on Harris' legislative oversight subcommittee as improper influence by the Administration on FCC. Rep. Bennett insisted that "all the facts" of the oversight subcommittee's action be put in the communications subcommittee's hearing record. Harris ended a shouting match by pounding his gavel, ruling that Bennett was out of order.

Tightened ASCAP rules providing more royalty protection for smaller publishers & composers have been submitted to U.S. District Court in N.Y. in a proposed consent order amending the Govt.'s 1950 anti-trust judgment against the music-licensing agency. Judge Sylvester J. Ryan set Oct. 19 for show-cause arguments by the Justice Dept. & ASCAP on why he should approve the order, which ASCAP will explain to its members at N.Y. & L.A. meetings this month. Rep. Roosevelt (D-Cal.), whose House Small Business subcommittee held hearings on ASCAP "evils" a year ago (Vol. 15:25), said it is "gratifying" that "decisive action" finally has been taken by the Justice Dept. in the case. Under the proposed order ASCAP must: (1) Pay resigning members on the same basis as others. (2) Conduct "a scientific census or sample of performance" to determine members' payment schedules. (3) Give most ASCAP writers the option of receiving payments based on the surveys or on 5-year averages of performances of "recognized works." (4) Limit votes of any member to 100 instead of 1469 now held by top publishers and up to 5116 by writers. (5) Keep records of rules changes, etc. and make them available to all members under "various conditions." (6) Admit all "qualified applicants" to membership and "publicize" qualifications twice yearly in trade press.

Radio treaty hearing on the North American Regional Broadcasting Agreement, pending since 1951, and the Mexican broadcasting agreement, pending since 1957, have been scheduled for July 9 by Chairman Fulbright (D-Ark.) of the Senate Foreign Relations Committee.

## The FCC

**Mack Trial Reaches Jury:** After 12 tortuous weeks, the govt.'s conspiracy case against ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside (Vol. 15:15-26) finally went to the jury in Washington's U.S. District Court July 1. But just when it looked like the end of the Miami Ch. 10 trial at last was in sight, there were overnight complications. Juror Joseph R. Carroll, 65, was taken to a hospital, suffering from abdominal pains, after the jury on July 2 had spent 40 minutes deliberating.

Govt. prosecutor J. Frank Cunningham told Judge Burnita S. Matthews he was willing to have his case decided by the remaining 11 jurors. But defense lawyers said they needed time to determine whether to go ahead or call for a mistrial, and at presstime the outlook was in doubt.

In her instructions to the jury, Judge Matthews had said points in issue were whether: (1) Mack & Whiteside conspired to rig the Ch. 10 grant for National Airlines WPST-TV. (2) Mack voted for WPST-TV in return for financial favors from Whiteside. (3) Whiteside corruptly influenced Mack or corruptly tried to influence him.

Bitter wrangling between opposing counsel over the charges reached a peak during the closing arguments. At one point Mack's lawyer Nicholas J. Chase shouted that one of prosecutor Cunningham's statements was "a clear bald-faced lie." Cunningham leaped up, said he hoped Chase "will have the courage to say that outside the courtroom." Chase received a reprimand from Judge Matthews, but tempers stayed frayed—as they had been since April 7, when the trial started.

Allocation of Ch. 4 or 9 to Binghamton, N.Y. was sought by WINR-TV (Ch. 40) in petition to the FCC last week. Citing its use of experimental on-channel boosters, translators and use of maximum ERP to gain the best possible coverage, the station said that it is still forced to consider going off the air. Claiming losses of \$197,000 sustained during 1958, it said that if the total of the effort, time and money expended on the station cannot make a uhf operation economically self-sufficient, then "at some point sheer effort must give way to economic reality, and the only possible alternative will be to cease operation." WINR-TV said it would file for either vhf channel and has offered to give its present facilities to the Board of Regents of N.Y. for educational TV.

St. Louis deintermixture case was designated for hearing by the FCC last week, conforming to the decision issued by the Court of Appeals—which ordered the Commission to explore charges that improper influence had been used to get Ch. 2 shifted from Springfield, Ill. (Vol. 15:19). Date & examiner are still to be selected. FCC said that KTVI could continue to operate on Ch. 2 in St. Louis.

Operating hours of daytime-only AM stations are due to remain the same—sunrise to sunset. FCC last week announced that it had directed its staff to prepare a decision ending the inquiry & denying the request of Daytime Bcstrs. Assn. for a 2-year experimental operation with longer hours.

A third vhf service for Shreveport was proposed to FCC last week by KCMC-TV (Ch. 6) Texarkana, Tex., which filed an application to move to a site about 30 miles from Shreveport, 40 miles from Texarkana. The station said it would provide a city grade service to Shreveport—without violating mileage-separation rules,

**MST—All TV Channels Needed:** Telecasters' main support in FCC's 25-890-mc hearing came from the Assn. of Maximum Service Telecasters as the testimony ended last week. Exec. director Lester Lindow reiterated MST's contention that the service now rendered by both vhf & uhf stations, which the public has spent more than \$25 billion to receive, should be left untouched. He endorsed FCC's negotiations with the Office of Civil & Defense Mobilization, aimed toward the acquisition of more vhf channels, and supported the Commission's proposal that a law be enacted requiring that all sets made be capable of receiving all TV channels.

MST engineering consultant Howard Head stressed the findings of the TV Allocations Study Organization to support his plea that all vhf channels be retained because of their broad coverage capabilities. He also stated that various suggested methods of squeezing in more Ch. 2-13 assignments—directional antennas, precise offset carrier, improved receiver design, etc.—are either insufficiently tested or of limited promise.

FCC appropriation of about \$10.5 million for fiscal 1960 is expected from Congress. This is \$500,000 under the administration's budget request (Vol. 15:4), but up more than \$500,000 from total grants for fiscal 1959. Acting on the independent offices appropriations bill (HR-7040), the House voted \$10.4 million for FCC, the Senate \$10.7 million, then sent the measure to conference last week to work out a compromise figure. Allocation of increased budget funds will be largely up to FCC. House & Senate versions of the appropriations measure contained little ear-marking of money for specific purposes. Meanwhile last week, a Senate-House conference agreed on a fiscal 1960 appropriation of \$113.3 million for the USIA, including \$9 million for acquisition of radio facilities. The administration had asked \$120.5 million, including nearly \$11 million for radio.

FCC rejected protests by NAACP against renewal of the license of WLBT (Ch. 3) Jackson, Miss. on ground that it violated Commission policy on "fair presentation of controversial issues." The Natl. Assn. for the Advancement of Colored People complained that WLBT refused it time to reply to segregationist statements on a 1957 panel show, "The Little Rock Crisis," and that WLBT cut off a 1955 NBC-TV *Home* interview with NAACP counsel Thurgood Marshall by running a "sorry, cable trouble" sign. Renewing licenses of WLBT & its adjuncts WJDX & WJDX-FM, FCC said: (1) It's "not entirely clear" whether the panel program was controversial. (2) Commission can't tell a station what programs to carry, although facilities shouldn't be "used to misinform the public."

Shift of WNHC-TV (Ch. 8) New Haven to a transmitter site closer to Hartford, recommended by FCC examiner Basil P. Cooper in an initial decision of July 2, 1958 (Vol. 14:27), is due to be denied. The FCC last week directed its staff to draw up a document looking toward that end. WWLP (Ch. 22) Springfield, Mass. had protested the grant, warning of danger to the area's uhfs from encroachment of the vhf, but the examiner favored the move, basing his decision on the FCC's stated policy in the Hartford Ch. 3 case, that "it was not the policy of the Commission to endeavor to protect particular uhf stations from competition" and that the ultimate test was whether the allocation will be likely to provide the best TV service to the public.

## Networks

**ROBINSON WON'T BE REPLACED:** James Aubrey, exec. v.p. of CBS, will handle the program duties which were formerly the function of Hubbell Robinson. Thus ends the long speculation about who would be Robinson's successor (Vol. 15:24, 25) since he left to become exec. producer of the Ford specials on NBC.

Aubrey, in Hollywood for talks on upcoming program projects, told us, regarding Robinson's job: "No replacement is contemplated. Hub made a tremendous contribution, but his leaving was not a hasty move. He left a helluva ball club behind him. Mike Dann will continue to head our N.Y. program operation, Bill Dozier our West Coast programming, and I will oversee the overall programming. I will be in administration & sales also." (Latter 2 were not functions of Robinson, who was in programming solely.)

Aubrey informed us there will be some reorganization in the CBS program setup, but hastily added that this did not mean any staff turnover, but rather additional assignments & duties for CBS program executives. The new setup, he assured, means even more emphasis on creativity at CBS. "I can free Lou [Cowan] so that he gets into the creative aspect more than ever—something he's been wanting to do," Aubrey explained.

"Our objective is to increase—not decrease—creative activity. We realize, at the same time, CBS can't corner the creative market, so we want to work with other people on co-production deals, too. An independent producer could not, however, turn out a *Playhouse 90*, and in this area we can function best.

"We are interested in deals with the major studios. Warner Bros. now has an exclusive deal with ABC, but I think WB realizes it's not healthy to put all eggs in one basket. They would be better off with shows on 3 networks. I worked on the Warner deal when I was at ABC, and I helped develop *Maverick* & *77 Sunset Strip*. We have a series deal with 20th-Fox TV (*The New Frontier*); we've always been on friendly terms with Columbia-Screen Gems; I'm hoping MGM-TV will solve its problem. They have all those tremendous facilities, and it's a shame not to use them. They are now discussing deals with us; it's a question of getting the right people & properties."

Aubrey informed us that as far as CBS is concerned: "The old days with certain selling seasons are over. That pattern doesn't exist anymore. You must have good product all year 'round. When a good show comes up, it sells, regardless of time of year. There's no trouble finding a sponsor for such a show. We don't ever again intend to get caught short if a show is canceled in mid-season."

Taking a look at the overall network situation, Aubrey feels "ABC deserves kudos for making the biggest gains. But they had the farthest to go. They'll continue to do well. NBC is getting a lot of space & exploitation about its specials for next season. But I think their concept is misleading. When is a special a special? They call their Sun. night series for next season 'specials'—but actually it's just another dramatic hour. I believe at CBS we have the best balanced schedule, with comedies, bread-and-butter shows, live & filmed shows, and occasional showpieces. In addition we have the finest public affairs in prime time, and the advertisers have already bought these shows."

Aubrey tells us he & his staff are already working on program plans for 1960, but haven't yet gone into detail on the contemplated projects. He predicted coverage of the 1960 Democratic & Republican national conventions will be better than ever before, particularly with the help of tape.

**MBS DEAL FINALIZED:** "Mutual Broadcasting System Inc., debtor in possession" became Mutual's legal title July 1, when Robert F. Hurleigh, newly elected pres. of the network, filed petition under Chapter XI of the Bankruptcy Act in the U.S. District Court. Hurleigh, vice chairman of Mutual's board from March to the present, presently owns 100% of the network's stock, and is holding it "in the interest of Mutual's advertisers & employes." All Mutual debts have been frozen as of July 1 and the network will operate normally.

Meanwhile, a loan of \$100,000 was made to the network by Real Properties Inc., a Tampa Fla. corporation headed by Chester H. Ferguson, Tampa attorney, and Albert G. McCarthy III, a N.Y. attorney. Mr. Ferguson was elected chairman of the board, and Mr. McCarthy, secretary-treasurer, at the Mutual board meeting the same day at which Hurleigh was elected pres.

It is understood that when the Mutual deficit is minimized, following agreements with Mutual's 750 creditors under the file for petition, Real Properties Inc. will become the owner of the network. Additional sums of money are expected to be loaned to the network during the course of the debtor-in-possession status. Mutual's debt is presently \$3,195,207 (biggest debt: \$508,000 to AT&T).

The Hurleigh-Ferguson-McCarthy deal came as a surprise in network circles. A sale to a group headed by Sen. Homer E. Capehart (R-Ind.) and lawyer-broadcaster Ted Granik was expected to be finalized early last week. The Capehart-Granik group had an option to buy the network until 5 p.m. June 30, but waived it, reportedly due to a lack of funds.

**The Image Makers (cont.):** Another view of TV's image (Vol. 15:22-26) was brought into focus last week in an open letter from NBC pres. Robert E. Kintner to leading TV-radio advertising agencymen, highlighting what Kintner termed "the striking results of 2 research studies that have just reached me."

First of the 2 was drawn from the AIM study made 6-times-yearly by Bruskin Associates, independent research firm, to probe public attitudes toward TV. When asked "Not including your family, what do you consider the 3 most important things that you now have in your home," respondents provided answers that will cheer TV proponents (even if they may puzzle followers of Sigmund Freud). TV topped the list, being named in 38.8% of replies. Others: refrigerator 36.9%, stove 36.3%, washer and/or drier 28.1%, and beds 12.8%. More than half the viewers (55.2%) said they were "completely" or "mostly satisfied" with TV.

Also cited by NBC's pres. was the Psychological Corp.'s "barometer study," which put NBC (75.4%) ahead of CBS (73.0%) and ABC (65.9%) in general public familiarity, ahead of CBS by a narrow margin in public preference, and in first place as the network doing "the best job" in a variety of categories: News coverage, entertainment, serving public interest, informational programs and "bringing advertising to viewers that's helpful in choosing products & services." (For comparison, see CBS's TV "image" study in N.Y. & L.A.—Vol. 15:26.)

Summer schedule of CBC-TV will include 13 new live talent shows, 6 of which already have sponsors. Eleven other shows, some continuing & some returns, will round out CBC's live programming.

## Network Television Billings

May 1959 and January-May 1959

(For April report, see TELEVISION DIGEST, Vol. 15:23)

**Sales Still Climbing:** The 3 TV networks closed out the Jan.-May 1959 period with gross time billings 9% ahead of the similar 1958 period and 8.7% ahead on a May-to-May comparison. The 1959 5-month gross topped \$260 million, and the May 1959 one-month gross of \$52,085,557 marked the 3rd successive month in which the nets billed more than \$50 million. On both the May-to-May and period-to-period comparisons, ABC paced the way with gains of 17.3% & 18.7%.

### NETWORK TELEVISION

	May 1959	May 1958	% change	Jan.-May 1959	Jan.-May 1958	% change
ABC .....	\$ 9,946,570	\$ 8,477,755	+17.3	\$ 52,492,402	\$ 44,230,215	+18.7
CBS .....	22,464,493	20,970,022	+ 7.1	110,759,141	104,314,359	+ 6.2
NBC .....	19,674,494	18,470,368	+ 6.5	97,509,662	90,757,770	+ 7.4
<b>Total....</b>	<b>\$52,085,557</b>	<b>\$47,918,145</b>	<b>+ 8.7</b>	<b>\$260,761,205</b>	<b>\$239,302,344</b>	<b>+ 9.0</b>

### 1959 NETWORK TELEVISION TOTALS BY MONTHS

	ABC	CBS	NBC	Total
January .....	\$10,647,078	\$22,129,248	\$19,299,853	\$52,076,179
February .....	10,024,460	20,806,220	18,053,828	48,884,508
March .....	11,565,031	23,265,395	20,728,315	55,558,741
April .....	10,309,263	22,093,785	19,753,172	52,156,220
May .....	9,946,570	22,464,493	19,674,494	52,085,557

Note: Figures revised as of June 26, 1959. These figures do not represent actual revenues as the networks do not divulge their actual net dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on the basis of one-time network rates, or before frequency or cash discounts.

### More about

**DISNEY-ABC PROBLEM:** One of TV's most successful producer-network marriages seemed headed for the divorce court last week, when Walt Disney Productions filed anti-trust suit in Federal District Court, N.Y., July 1 against ABC-TV, charging that the network was "illegally attempting to prevent the telecasting of *Zorro & Mickey Mouse Club*."

What Disney has been seeking for the past 6 months is invalidation of a 1954 agreement with ABC. According to Roy Disney, ABC wouldn't air the shows, and "interfered" with Disney's attempts to sell them to other networks. Now Disney wants to break the contract in court.

ABC—which took a long chance 5 years ago & provided Disney with some \$5 million to finance Disneyland Park (AB-PT has a 35% interest) and a 7-year contract for the *Disneyland* (now *Walt Disney Presents*) series—immediately took sharp exception.

"Disney granted an exclusive on his TV programs to ABC," said an ABC statement, adding that the network "has lived up to its agreement in all respects." ABC contends that Disney owes it more than \$1 million. The sum derives, ABC explains, from the Disney-ABC contract which calls upon Disney to share losses if sales on shows like *Mickey Mouse Club* drop below a certain level.

The feud went into another round of verbal fusillades July 2, with Roy Disney, pres. of Walt Disney Productions, counter-charging that the TV-movie firm has "no financial obligations to ABC-TV." Roy McDonald, chief counsel for WDP, added that this Disney contention was part of the anti-trust complaint filed against ABC-TV July 1 and that it "will be settled by the court."

A firm offer has also been made by Disney to ABC-TV to buy AB-PT's holdings in Disneyland Park, Roy Disney further affirmed. The amount: \$5 million for ABC's share, in which ABC's original portion was \$500,000.

## NETWORK SALES ACTIVITY

**Nets Near SRO:** Activity was slow last week—a condition network spokesmen attributed to the holiday week & the near-sold-out status. As of July 3 here's what remained unsold in evening time for next fall: ABC had 4 half-hours unsold and approximately 20 min. in availabilities open in *Alaskans*, *Adventures in Paradise*, *Cheyenne*, *Bourbon Street Beat*, *Bronco*, *Untouchables*, and *Leave It to Beaver*. CBS still has a half-hour of *The Line-up* on the block as well as two alt.-wk. half-hours on Sun. & Wed.; NBC still hasn't sold 60-min. *Five Fingers*, and half of *Troubleshooters* and *Love & Marriage*. NBC's 7:30-8 p.m. on Mon. & Thurs. remain unprogrammed. The week's significant buy was Carnation's \$3 million entry into ABC-TV. This advertiser, who has been off network TV since 1957, is reportedly buying into another ABC-TV show next season, for one of the open time slots.

### ABC-TV

**Sugarfoot** (Alt. Tues., 7:30-8:30 p.m.) Alt.-wk. half-hours putting *Sugarfoot* in sold-out category. *Carnation Co.* (Erwin Wasey, Ruthrauff & Ryan).

**Championship Bridge** with Chas. Goren, eff. Sun. Oct. 18 (3:30-4 p.m.). Produced by Walter Schwimmer, Chicago. *North American Van Lines* (Biddle).

**Adventures in Paradise, Cheyenne, Alaskans, & the Untouchables.** Twenty-min. segments on alt. wks. next season, using major portion of advertiser's \$6 million network budget. *Armour* (Foote, Cone & Belding).

**Alaskans & Adventures in Paradise,** minute participations and *Dick Clark Show*, 15-min. seg. each week, all in Nov. and Dec. *Seven-Up* (J. Walter Thompson).

### NBC-TV

**Rexall Drug Specials** (Sun. evenings, dates & times not set). Series of 6 60-min. adaptations of theatrical properties, first of which will be a musical program on Oct. 18 (10-11 p.m.). David Susskind, of Talent Associates Ltd., will produce all 6 programs. *Rexall Drug Co.* (BBDO).

**Daytime 15-min. buys:** Alt.-wk. segments in *Concentration & It Could Be You*, *Brillo* (J. Walter Thompson); additional segments in *Ruff & Reddy* and *Fury*, *Borden* (Young & Rubicam); alt. segments of *Treasure Hunt*, *Queen for a Day*, *Tic Tac Dough* and *County Fair*, *Gold Seal Co.* (Campbell-Mithun); renewal of alt. wk. segment in *Fury*, *General Foods* (Young & Rubicam); renewal of 52 segments in *Tic Tac Dough*, *Standard Brands* (various); 4 weekly segments in *Tic Tac Dough*, 5 alt. half-hours in *It Could Be You*, 4 half-hours in *Truth or Consequences*, and 3 alt. segments in *Treasure Hunt*, *Procter & Gamble* (various agencies).

**Liberty Bowl Game**, new college football series, half of first game on Dec. 19. *Liggett & Myers* (Dancer-Fitzgerald-Sample).

There will be 155 specials on NBC in the coming season, with sponsors spending \$45 million on those shows, it's estimated by Herbert Sussan, head of special programs. He's currently in Hollywood lining up properties & stars for the specials. Most of the Fri. & Sun. shows will originate from N.Y., some from Hollywood, and the Ford series on Tues. will originate mainly from the coast.

## Stations

**JULY OPENS WITH A VHF & A UHF:** KTLE (Ch. 6) Pocatello, Ida. began July 4 with NBC-TV, and KHTV (Ch. 27) Portland, Ore. begins programming this week (July 6) as an independent, reactivating the pioneer uhf channel that has been off the air for more than 2 years. Week's 2 starters change the on-air total to 554 (including 84 uhf).

KTLE has a 10-kw RCA transmitter and a 153-ft. tower on a mountain 3.5 mi. west of Pocatello. The only city with a TV outlet within 100 mi. is Idaho Falls with KID-TV (Ch. 3), approximately 40 mi. away. KTLE CP is held by KBLI Inc., licensee of radio KBLI Blackfoot, Ida., in which radio KNAK Salt Lake City is 70% stockholder. Howard D. Johnson, who owns 57% of KNAK (jointly with his wife), is KTLE pres. & gen. mgr. Gage Anderson, who owns 17.25% of KNAK (with wife), is KTLE commercial mgr. Base hour is \$200. Rep. is Forjoe.

KHTV has 1-kw GE transmitter and a 200-ft. Fisher self-supporting tower on Council Crest Dr., Signal Hill. CATV operator Wallace J. Matson, pres. & 50% stockholder, also is gen. mgr. & chief engineer; J. Benton (Benny) Heald, ex-electronics sales in Portland area, is station mgr. & 21.5% owner; Stuart Nathanson, ex-KTRX Kennewick, Wash., sales mgr.; Rex L. Watson, production mgr.; Charles W. Shevland, film director; Marlowe Brangan, promotion & special events mgr.; Nat Jackson, news director. Base hour is \$360. Reps are Gill-Perna and Ayres, Allen & Smith (West Coast).

Note: Ch. 27, operating as KPTV, was the second post-freeze TV station to get on the air, beginning operation Sept. 18, 1952 under the aegis of Herbert Mayer, who had obtained experimental RCA equipment for a fast start (Vol. 8:35, 38). He sold the station to Storer in 1954 as part of a \$10,000,000 package (Vol. 10:2, 44). In 1957 Storer sold NBC-TV affiliated KPTV to George Haggarty, who also acquired Portland's KLOR (Ch. 12) at the same time. Haggarty merged the 2 facilities and cancelled CP for Ch. 27, but retained KPTV call letters (Vol. 13:16-18). The present owners applied for Ch. 27 and were granted CP May 8, 1958.

Facility changes: KLOR-TV (Ch. 11) Provo, Utah, boosted power to 176-kw in June . . . WGR-TV (Ch. 2) Buffalo expects to begin using temporary 3-bay antenna at new site on Elmwood Ave. July 8, with a permanent move from Hotel Lafayette scheduled by Aug. 1 . . . KTVI (Ch. 2) St. Louis plans to begin July 20 with 1000-ft. tower at new site in Sappington, Mo. . . WEDU (Ch. 3, educational) Tampa plans boost Aug. 15 to 56.2-kw . . . WGAN-TV (Ch. 13) Portland, Me., has set Oct. 1 as target for move to 1619-ft. tower at new site on Brown Hill, Raymond, Me.

Four applications for new TV stations were filed with the FCC last week: for Louisville, Ky., Ch. 51, by a group of Louisville businessmen headed by distillery pres. George E. Egger; for Medford, Ore., Ch. 10, by radio KMED there; for Reno, Nev., 2 applications for Ch. 4, one by electronics engineer Charles E. Halstead Jr., the other by E. L. Cord, owner of KFAC Los Angeles. This brings total TV applications pending to 99 (15 uhf).

FCC granted a waiver recently to permit KTVU (Ch. 2) Oakland, Cal. to identify itself as an Oakland-San Francisco outlet.

Taft Bestg. Co., in revised prospectus in connection with the sale of 483,322 shares of common stock, reports these revenue & operating profit figures for its wholly-owned WKRC-TV & WKRC Cincinnati, WTVN-TV & WTVN Columbus, WKYT (TV) Lexington and WBRC-TV & WBRC Birmingham, for 2 months ended May 31: Net TV broadcasting revenue, \$1,327,815 (vs. \$1,129,857 in the same 1958 period); net radio revenue, \$392,735 (vs. \$363,118); TV operating profit before depreciation & amortization, \$624,680 (vs. \$511,981); radio operating profit, \$148,789 (vs. \$143,840). WBIR-TV & WBIR Knoxville, in which Taft has 30% interest, made this report for 5 months ended May 31: Net TV revenue, \$430,971 (vs. \$366,465 during similar 1958 period); radio revenue, \$74,369 (vs. \$74,756); TV operating profit, \$160,891 (vs. \$111,795); radio operating profit, \$12,443 (vs. \$17,580). The stock will be underwritten by a group headed by Harriman, Ripley & Co. (For Taft Bestg. financial reports from 1950 to 1959, see Vol. 15:24, p. 14.)

TV-radio inertia costs many farm advertising dollars, a major machinery manufacturer told the recent Natl. Assn. of TV-Radio Farm Directors conclave. Minneapolis-Moline marketing v.p. M. E. Carroll said his firm spends a heavy ad budget but TV & radio get none simply because no salesmen call to sell these media. But at the same meeting, some 20 TV-radio representatives made a joint bid for more farm broadcast business from attending advertisers & agency executives. Their joint message advanced farm broadcasting as the logical medium for reaching the \$37.8 billion farm market because it serves an audience that gives "undivided attention—while eating breakfast, driving to work, or even while milking cows."

Possible new vhf channel for Hartford was protested last week by Mass. Sens. Kennedy (D) & Saltonstall (R) and Reps. Conte (R) & Boland (D) who told FCC that such an allocation would drive 4 western Mass. "hometown TV stations" out of business. Noting that "uhf has had singular success" in the area, they said that the continued success of stations in the Springfield-Holyoke-Pittsfield-Worcester section depends on whether "they are left free from interference from vhf TV." The legislators added, however, that if FCC should allow vhf to extend into western Mass., "thereby eliminating uhf TV . . . We feel most strongly that populous centers of western Mass. should be assigned vhf channels."

"Paid in Full" invoices for \$455,480 were mailed by WNBQ & radio WMAQ to more than 50 organizations which received that sum in gratis public-service time on the stations during 1959's first quarter. Major recipients: March of Dimes, Easter Seals, Heart Fund. (For Jan.-to-May, the total is \$809,465 in TV-radio time for nearly 100 organizations.) NBC v.p. Lloyd E. Yoder, who is gen. mgr. of the 2 stations, said, in a note accompanying the invoices: "This 'billing statement' from NBC Chicago indicates the estimated dollar value of time devoted to your organization during the period shown. We are happy to mark it 'Paid In Full' for the real payment in public service comes, not in dollars & cents, but in serving the human interests & welfare of our community."

Sale of KBLR-TV (Ch. 10) Goodland, Kan. by James Blair to Leslie E. Whittemore & associates for \$5000 plus assumption of \$400,000 liabilities was approved by FCC last week. Also approved was the sale of radio KBLR to the same group in a separate deal for \$145,000 plus \$25,000 in liabilities (Vol. 15:16).

American Congress of Exhibitors has started informal talks with Justice Dept. officials to see whether ambitious proposals for theater owners to raise \$10,000,000 to buy up post-1948 movie features (thereby keeping them off TV screens) can be formulated under anti-trust rules. No specific plans have been submitted to Justice by ACE, the new group which took over the anti-TV scheme from the Theatre Owners of America (Vol. 15:10), and no govt. opinions on anti-trust angles have been offered. One Justice Dept. official who has been consulted by the ACE told us the talks have been "tentative & preliminary" and no formal conferences on the subject have been set. TOA's original plan was to set up a trust fund to acquire titles to features held for sale by distributors. Broached in March 1958, the scheme has been talked over since (Vol. 14:13 et seq.), but has produced no stop-TV kitty.

Unique crisis developed in Nacogdoches, Tex. last week when KTES (Ch. 19) left air until July 7. City commissioners are due to decide on that date whether owner Lee Scarborough or Lufkin City commissioner Lyn Meteauer will get a franchise to install a community antenna system. Scarborough said he won't be able to resume operations if his competitor gets the franchise. He says he could wire up 800 homes in the 15,000-pop. city within 90 days.

Transcontinent TV Corp. elected 4 directors & a v.p. recently following merger of Transcontinent and Marietta Bestg. Inc. (Vol. 15:7, 12, 20): Jack Wrather, pres. of Jack Wrather Organization, majority stockholder of Marietta; Monte Livingston, exec. v.p., Wrather; Edward E. Voynow, pres., Edward Petry & Co., minority stockholder of Marietta; Walter Walz, assoc. of Carl M. Loeb, Rhoades & Co., N.Y. investment firm. George Whitney, v.p., Marietta, was elected a v.p.

TV spot dollar should come from sales dept. budgets as well as regular advertising appropriations, the Katz Agency, N.Y. station reps, believes. This week, Katz executives will start showing a new 30-min. presentation, "The Sales Manager's Medium," which charts the relationships between marketing, retailing, and the use of local-level TV.

NAB pres. Harold E. Fellows will be windup speaker at NAB's management development seminar July 5-17 at the Harvard Business School, where 60 broadcasters will receive certificates of completion of the special course. Other speakers will include prof. Andrew Gyorgy of Boston U. and CBS Inc. pres. Frank Stanton.

Clinton McKinnon, ex-Congressman, who owns 25% of KOVA Tucson, 100% of KOAT-TV Albuquerque and publishes 2 Cal. weeklies, has announced plans to start a new daily in Phoenix. It will be the first competition for Phoenix *Republic* and *Gazette* since the *Arizona Times* folded in 1949.

Baton Rouge's WAFB-TV (Ch. 28) filed an application with FCC recently seeking the Ch. 9 drop-in there (Vol. 15: 23) and at the same time requested authority to operate temporarily on the channel pending the outcome of any hearing that may evolve.

TV news broadcast by WWJ-TV Detroit became evidence in a local murder trial recently. The victim apparently switched on a concealed tape recorder some time before she allegedly was shot by her husband. The recorder, found by police under the living-room couch, had taped among other information the station's *11 O'Clock News* as it came in over the room's TV receiver. The tape & WWJ-TV's script were admitted as evidence; and station news dir. James Clark was called to identify the newscast.

## Auxiliary Services

### More about

**CATV & BOOSTER REGULATION:** The plain-spoken comments of Sen. Pastore (D-R.I.) were probably the most significant aspects of the CATV-booster hearing conducted by his Commerce subcommittee last week. In addition to his statement that he doesn't like the Moss-Murray bill's requirement that FCC prohibit CATV where it might "adversely affect" existing or prospective TV stations (see p. 2), he also showed he doesn't care for the proposal by FCC & stations that CATV be required to get stations' approval before distributing their signals. Said he:

"Give people a choice of CATV or local. That's the democratic way. I don't like compulsion. Why should the CATV boys be forced to do something by a competitive group? If you put CATV under the broad FCC supervision, won't you have enough? I'm not interested in the economic welfare of one group as against another. Only the public. Why not let the public or FCC get the rebroadcast rights—so that subscribers could get the signals they want? I favor local stations, but will this legislation lead us down a blind alley?"

Harking back to the Moss-Murray "adversely-affect" proposal, he said: "I'd hate to be the Commissioner who makes the decision. Who knows why a station operator might be unsuccessful? He might take to drink. Or take to women. Who knows?"

Pastore reflected the FCC position, which was reiterated last week in a statement on Moss-Murray bill:

"As we pointed out in our report & order of April 13, 1959, numerous circumstances—including some imponderables—determine the success or failure of existing TV stations and the probabilities for the success or failure of new stations. These factors include not only the number of TV services locally available but also the size & nature of the market, the supply & quality of programs, the extent of local, regional and national advertiser support, and related factors. They also include the competence, energy and imaginativeness of management, the amount of capital available, and numbers of other factors which in one degree or another affect success or failure of station operation. These circumstances illustrate & underscore the difficulties attaching to the process of making findings as to adverse impact which, under S-1886, would be decisive in determining whether to authorize continued operation of repeaters & CATV . . . and whether to authorize new ones."

The Commission also persisted in its belief that local station service isn't always preferable to service offered by CATV or boosters. It stated:

"In a typical case, CATV systems & repeaters are able to provide program services otherwise unavailable to the local community. This is because CATV's & repeaters have usually been established in the smaller communities which lack full choice of nationwide & other TV program services. Thus, they have been able, to considerable extent, to supplement the program fare which a local TV station is in a position to offer. Since an ultimate objective of a TV allocation plan is the provision of as many program choices as possible to as many members of the public as possible, it may not hold in all cases that the overriding public interest would necessarily be served by protecting a present or possible future regular TV station from adverse competitive impact exerted by services able to offer a wider program choice."

Pastore backtracked a bit, however, by remembering his pet project—trying to get a 3rd vhf channel in Providence. He said he places a great value on local service.

On that subject, Sen. Moss (D-Utah) asserted that, technically, stations in one or 2 cities could originate all programs, with the rest of the U.S. served by repeating facilities. He urged that local service be given highest priority. Sen. Mansfield (D-Mont.) took no strong pro or con side but urged that the CATV & booster problems be solved. Sen. Carroll (D-Colo.) pitched mainly for authorization of boosters, said FCC has enough power now to legalize them. Sen. Church (D-Ida.) made similar plea.

Sen. McGee (D-Wyo.) was the most outspoken defender of the station's position & opponent of CATV. He stated that CATV can put a station out of business, in turn cutting off the service of boosters fed by the station. Sen. O'Mahoney's (D-Wyo.) position was presented by his assistant: Favor local stations and require CATV & boosters to get originating stations' permission to use their signals.

Ex-Sen. Johnson (D-Colo.) read a statement from Colo. Gov. Steve McNichols, reiterating the latter's contention that vhf boosters are harmless, provide a vital service—and probably can be licensed without new legislation. He said he's satisfied that FCC can provide the proper interference safeguards—and he's willing to rely on the Commission's judgment on technical requirements.

On his own, Johnson blasted CATV operators, charging them with trying to kill boosters. "CATV will take every possible step," he asserted, "to hinder legislation on boosters and will do everything in its power to create legislation to [make] booster operators go out of business."

Booster operators' testimony was best summarized by Jess A. Slusser, pres. of National TV Repeater Assn., who recently retired as engineering director of KOA-TV & KOA Denver after 35 years with the stations. "Uhf cannot do the job," he said. "CATV has not been the answer, but it's clearly evident from the number of vhf repeater stations now operating that the vhf booster is doing the job."

As for alleged interference from boosters, he said: "With the number of repeaters operating over the past few years there has been only a minor number of reports of interference coming to my attention. Upon investigation these have not been real cases of trouble but usually just friction between a CATV operator & a vhf repeater." He then produced a telegram from H. E. Aldridge chief, air navigation facilities div., FAA 4th region, Los Angeles, who said that the 4th region does not have in its files any record of interference with air navigation facilities from boosters "operating in the normal manner . . . or evidence that such interference has been a contributing cause to aircraft accident." Said Slusser: "In the last few months there has been more interference with communications systems & aids to navigation created by electronic garage door openers just in the Denver area than has occurred in the entire history of vhf repeater operations." He called for "immediate" FCC regulation of boosters.

George C. Hatch, of KUTV Salt Lake City, KLIX-TV Twin Falls and KOPR-TV Butte, summarized the situation thus: "Without effective rules & regulations, repeater devices, whether boosters or CATV systems, will generate interference and/or degrade signals, and will jeopardize orderly development of local standard TV stations. If they are properly placed under the jurisdiction of the FCC and subjected to reasonable rules & regulations, just as our standard TV stations are, they can be a tremendous boon in bringing service to many areas that cannot support standard stations and will fill in the coverage."

Also calling for CATV regulation, William C. Grove (KFBC-TV Cheyenne & KSTV Scottsbluff, Neb.), asserted that he seeks no monopoly. "I do not complain of the competition," he said, "unfair though it is, that I get from a CATV system which is bringing service into my area at no cost to the advertiser if the program is a different program from that carried by my stations. Certainly this will hurt my stations. It will dilute my audience. It will give the advertiser an incentive not to pay to have his program on my station because he can in all likelihood reach a substantial part of my audience at no cost to him by means of CATV. This is unfair competition, but I do not think it will destroy me. But what will certainly destroy me is when the CATV or any other service such as translators or boosters or what have you, is permitted to duplicate my programs in my area at no cost to the advertiser."

Rex Howell, owner-gen. mgr. of KREX-TV Grand Junction, Colo. and its satellite KREY-TV Montrose, told the subcommittee "the future of free TV rests ultimately with the outcome of these hearings . . . If free local TV is to be preserved, and CATV's are to come of age as responsible media of communications, they must be brought under FCC regulation," he said, endorsing the Moss bill. He assured the subcommittee: "Broadcasters are not opposed to CATV per se."

Ed Craney, pres. & gen mgr. of KXLF-TV Butte, Mont., lit into FCC as "the defender & apologist for one form of pay TV, the CATV, or cable companies." In a 34-page "preliminary review" of problems of stations vs. CATV, he concluded: "It seems plain this is what the [Commission] has favored and will continue to favor & promote in every possible manner—by action & lack of action." The Butte station operator called the FCC-recommended legislation "utterly inadequate" to cope with problems of stations vs. CATV.

Marshall H. Pengra, co-owner & gen. mgr. of KLTV Tyler-Longview, Tex., recounted a long history of his troubles with Tyler's CATV system from the time his station went on the air in Oct. 1954. At the time, he related, the system was delivering from 2 Dallas stations and one in Ft. Worth, gleefully advertising they were "live" while KLTV lacked cable or microwave network service and was able to show only network-show films or kines—as much as 3 weeks late. Since then things have got no better, Pengra complained: All live NBC, CBS & ABC network programs now carried by KLTV are duplicated simultaneously by the local CATV. KLTV's signal "is degraded in 55% of the locations surveyed" in an Aug. 1958 FCC field report. He said he has "grave doubts for the future of our station unless something is done by the FCC . . ."

Needed, he said, are "simple rights of fair play under our American system of free enterprise." He said the following should apply to CATV: (1) No duplication of a local station's programs. (2) No interference with or degrading of a local station's signal. (3) If a local station requests it, a local CATV system must carry the station's programs (4) In any event, an originating station must give permission for CATV pickups.

Bitter anti-CATV testimony also came from pres. Frank Reardon of now-dark KULR (formerly KGEZ-TV) Kalispell, Mont. He blamed FCC "policies which foster CATV growth and restrict local TV broadcasting" for circumstances which put him off air in April '58 & May '59.

Reardon said the proposed legislation is "desirable" but doesn't go far enough. "I think this Congress should speedily enact legislation which would prohibit the Commission's granting microwave facilities for use of CATV."

## Educational Television

**Broadcasting Symposium:** Industry, political & academic leaders are discussing major issues confronting broadcasting at a special summer-session college-credit symposium sponsored by the TV-Radio-Film Dept. of Northwestern U. Gilbert Seldes, dean of the U. of Pa.'s new Annenberg School of Communications, and *Saturday Review* TV editor, told the symposium in his guest address that improvements in broadcasting must start at the local level. He called for shows in which community leaders & broadcasters discuss their mutual problems, and he advocated high school & college courses in mass-media appreciation, to increase audience understanding of broadcasting. Other guest lecturers will include NBC planning & research v.p. Hugh M. Beville Jr. next week (July 16) and *Voice of America* deputy dir. of bcstg. John O'Brien (July 30).

The symposium will also include these subjects: "Creative Programming" (Eric Barnouw, Columbia U.), "Functions of Communications Research" (Reuel Denny, U. of Chicago), "Broadcasting as a Dimension for Politics" (Samuel E. Brightman & Richard Guylay of Democratic & Republican natl. committees respectively), "Broadcasting in the Soviet Union" (Boris N. Krylov, counselor, Soviet Embassy, Washington).

TV pupils outscored teacher-taught classmates by 9.6 percentage points, it was revealed last week after a controlled math experiment conducted by the N.Y.C. school system. Over a 5-month period, 10 experimental classes had viewed half-hour 7th grade math twice-weekly via WPIX. Twenty control classes of comparable ability & math achievement took the same course *sans* TV. In a 50-question test, the TV students scored the equivalent of 75.2 out of 100 vs. 65.6 for the others. The outcome is the reverse of that of a similar test conducted at Long Island Agricultural & Technical Institute (Vol. 15:26) where video-less students outscored TV classmates 76.3 to 75.85.

NAB's TV "image" program (Vol. 15:25) wouldn't be needed "to counteract the growing amount of unfriendly comment" on programming if commercial telecasters demonstrated awareness of their educational responsibilities, the *NAEB Journal* suggests. It's "strange," says an editorial in the May issue of the Natl. Assn. of Educational Bcstrs.' organ, that "promotion of learning as a fundamental obligation of telecasters" wasn't even mentioned in the speech that called for an industry promotion campaign at the NAB's Chicago convention in March (Vol. 15:12). Signed by *Journal* editor Tracy F. Tyler, the editorial argues that it's time the industry realizes that TV "has a major & more significant service to render to our society than to meet what it decides are the present interests of the people and, secondarily, to program for minority tastes & interests."

Successful TV teaching of illiterates by educational WKNO Memphis, has in 2 years enabled some 2000 adults to attain "functional literacy," reports *Harper's*. Each pupil reached this level of roughly 4th-grade schooling by investing 350 study hours, divided between thrice-weekly half-hour TV lessons and "homework" supervised by volunteers at educational centers set up in schools & libraries. WKNO has packaged, for sale to interested stations, 98 half-hour lessons on film.

Petition to switch educational reservation in Muncie, Ind. from Ch. 71 to Ch. 55 has been filed by Ball State Teachers College.

## Programming

Radio Press International, new radio news service, was formed last week (June 29) by the merger of Radio Press Inc. and International Transmissions Inc. The newly-organized service plans to enlarge its operations to include 3 20-min. transmissions per day each weekday and one 20-min. transmission on Sat. & Sun., as well as Washington, national and foreign news reports. Client contracts of the 2 former firms (54 stations for RP and 18 for ITI) will be fulfilled, RPI affirmed. The newly-formed service will have access to 46 foreign correspondents, 387 U.S. stringers, and a London news bureau. Telephone lines & leased wires will be used. George Hamilton Combs, pres. of Radio Press, has become board chairman of RPI, and Sumner J. Glincher, ITI pres., is now RPI pres.

ABC will be fighting brawn with brains next fall when *Championship Bridge with Charles Goren* goes into the Sunday 3:30-4 p.m. slot against professional football on CBS & NBC. ABC anticipates a massive following for the series, pointing out that there are about 35 million bridge players in the country. Each Sun. an actual game will be played, with the team scoring the most points receiving \$1000 and an invitation to return the following week. The losing team will receive \$500. Bonuses of \$1000 & \$500 for grand & baby slams will be given. Play by play description will be supplied by Alex Dreier with Goren analyzing the play. Table talk & bidding will be picked up direct.

Don't overlook cartoon appeal to adult viewers at night, Joel Chaseman, gen. mgr. of Baltimore's WJZ-TV, tells us. Generally regarded as moppet fare for daytime or early-evening shows, cartoons & comedy shorts (*3 Stooges*) are now being scheduled by the Westinghouse-owned station to lead off its nightly movie show, along with a news-weather-sports roundup. "Our feeling," says Chaseman, "is that the viewer wants a complete show—just like a neighborhood movie." Currently, Chaseman is using cartoons from his *Terrytoon* & *Popeye* packages, and says that viewer reaction has been excellent.

More community service TV is in the works at Corinthian station KHOU-TV, Houston, says James C. Richdale, v.p. & gen. mgr., including "expanded news coverage, programs dealing with local & state issues and personalities, educational series, and even live entertainment." The station has also named producer-director B. Calvin Jones, former program mgr. of Westinghouse's KDKA-TV Pittsburgh, to become KHOU-TV's dir. of programming & operations. Jones has won 2 freedom foundation awards for locally-produced documentaries, and has produced sequences for *Wide, Wide World*.

TV-radio stations were among those media (also newspapers, magazines and ad agencies) accused by N.Y.'s Committee of Religious Leaders of hurting the city's moral climate. In a report to Mayor Wagner, the committee censured TV for long exposure of materialistic, sadistic, and suggestive themes, and scored radio for the "indecent suggestions & implications" in some popular songs carried on disc jockey programs. The committee advised that all faiths would make pulpit appeals to urge their congregations to register their concern with the offending media.

Movies occupy a quarter to a third of all TV viewing time in the major market areas, a *TV Guide* (July 4) survey points out. In L.A. & San Francisco, viewers can see some 10,000 movies yearly. Other scores: N.Y., 147 films weekly; Cleveland, 135; Seattle, 90; Chicago, 60. Westerns & World War II films are favorites.

# Tabooing the Taboos—a Promise of More Mature Programming

**FEWER FILM BANS:** TV film executives, who frequently in the past have blamed sponsors & ad agencies for restricting them with too many taboos, today report a general easing off of such pressures. Some remain, of course, but for rational reasons, for good taste, and no longer as the whims of individuals.

Result: Executives promise more mature product next season. There are still islands of nonsense, they admit, in script acceptance circles, especially in live TV. The decision, for example, to eliminate the words "gas chamber" from *Playhouse 90's* "Judgment at Nuremberg" (because American Gas Assn. was one of the sponsors) is termed "not so much a taboo as childish" by *ex-Playhouse 90* producer Martin Manulis. Now TV production chief at 20th-Fox, he tells us he's had no restrictions there except on themes he'd not use anyway. He's not allowed to have suicides, but unhappy endings are permitted. Controversial stories don't belong in weekly film series, in his opinion.

Only a few years ago when a telephone operator objected to a sequence in the Frank Wisbar-produced *Fire-side Theater*, the sponsor ordered Wisbar to reshoot that scene for reruns. This sort of thing is not apt to happen today. Departing now are bans on subjects of infidelity, unwed mothers, narcotics and prostitution. (Not all sponsors, of course, have eliminated such restrictions.) But the trend is not so much the elimination of specific ukases as the lessening of inclination by ad agencies & sponsors to be worried or frightened by pressure groups.

A concrete example of liberalism in taboos is *Maverick*, the Warner Bros. series in which the heroes are a pair of easy-going, shiftless gamblers. When Dorothy Brown, head of ABC's West Coast continuity acceptance dept., was confronted with a series showing gambling (on Sun. nights too), she took the chance that there wouldn't be any strong reaction against it. The series, of course, became a hit. There was no adverse reaction, and now gambling will also play a part in WB's new *Bourbon Street Beat*.

A recent *Guns smoke* episode had Marshal Dillon (Jim Arness) ambushing & killing some heavies who had murdered a girl. At no time in the TV of recent yesteryear would a lawman have been permitted to shoot down even heavies in such an eminently practical manner.

Once ABC didn't so much as allow the mention of suicides. Today it's permissible to use suicide if not depicted as the solution to a problem. Bans still exist at ABC against interracial romances, excessive violence (particularly important this year because of the heavy Western & private eye programming), but in general good taste is the guiding factor.

Right down the line, many of the old TV taboos no longer exist. The new *June Allyson Theater* has received, instead of taboos, only the agency advice that it use common sense & good taste. *GE Theater's* sole restriction is the sponsor's desire not to have too many downbeat themes successively. All this is a refreshing change from the days when every series had its list of don'ts.

This "creeping liberalism" in TV programming is taking on trend proportions. Virtually all industry figures tell us the bars are coming down.

NBC coast program v.p. Alan Livingston: Taboo pressures are lightening because the sponsor, wanting better

shows, came to realize that TV had too many restrictions, and consequently, "There is less interference today."

Bob Wood, head of NBC's West Coast continuity dept.: NBC tries to take a mature attitude on taboos in general. It has allowed suicide if it's a necessary element of the particular story. But excessive violence & brutality injected into telefilms sheerly for shock effect is still banned.

ABC's Dorothy Brown: "We're not concerned about the way the established companies such as Warners, Screen Gems, Disney or Four Star will handle the delicate areas; it's the new companies we've got to watch carefully." There's been considerable progress in eliminating taboos, but "we can only go as far as the public will go."

BBDO West Coast v.p. Bud Stefan: Agencies are concerned mainly with not offending the sponsor or any dealers handling his product. If a Westinghouse product were to be inadvertently used in a scene on GE-sponsored *GE Theater*, for example, the public wouldn't complain, but it would bring anguished cries from every GE dealer in the country who saw that show . . . "No client would want a scene in which a Negro would hug a white girl. They don't want to antagonize the South, nor do they want to offend any racial or religious group. That's cash register talk."

Producer Sam Rolfe (*Have Gun—Will Travel*): "We have no specific taboos, only the usual CBS network policies to follow. The network is concerned about excessive brutality, too much blood in a scene, and the age of a girl involved in relationship with a man. If she's 18, she's okay. . . ." Rolfe attributes the dwindling of taboos to keener competition and the fact that "Some adult live-TV dramas have given us a lever. TV cannot impose a censorship lock on one side, and open the door for the other side. We don't get away with murder—but we try."

Producer Hal Hudson (*Zane Grey Theatre*): "We may not treat any religious subjects; a child may not be shown in jeopardy; and there may not be excessive brutality."

Producer Jack Chertok (*The Lawless Years*): "I've never had a problem." He's guided by NBC censorship policy, it boils down to a matter of taste, and is no hindrance to productions. "We can show a prostitute, but we can't call her one."

Arnold Laven, co-producer with Jules Levy & Arthur Gardner (*The Rifleman & Captain of Detectives*). "Rifleman" may not show a child in jeopardy; kidnappings aren't allowed; a child may not be seen threatened with a knife or gun, but there may be an implied threat. "We don't deal with subjects in the taboo area," he tells us. "Detectives" is now allowed to show narcotics stories, but doesn't because Laven doesn't care to show the ugly side of life. In one "Detectives" episode showing a woman in childbirth, ABC censors ordered a moan substituted for a scream to avoid the impression that childbirth is "horribly painful."

Many telefilm dramas of yesterday wouldn't allow the hero to drink; coffee or tea was his limit. Today it's commonplace in almost every type of series except a Western for the hero to have his liquor—and lately it's been happening in the sacred Westerns.

Not too long ago an on-TV romance between an American & a Japanese girl would not have been allowed. But last year in a *Schlitz Playhouse* just such a love affair was enacted, and subsequently similar themes were seen.

# Table of Audience Composition & Program Selectivity

Trendex Figures Show Women Exercise Major Control Over TV Set

	Avg. Rtg.	Audience Composition				Spons. Ident.	Program Selectivity				
		Men	Women	Children	Total		By Men	By Women	By Children	Set Left On	Unanimous
Drama, half-hour .....	13.8	0.65	1.02	0.47	2.14	54.7	18.3	44.4	7.4	12.3	17.6
Drama, hour or more .....	19.0	0.68	1.12	0.28	2.08	50.6	13.1	53.2	3.9	7.0	22.8
Special Programs .....	*	0.91	1.21	0.41	2.53	*	16.3	40.1	4.2	11.2	28.2
Variety, Comedy, Music Shows .....	16.4	0.76	1.14	0.54	2.44	68.4	15.7	39.2	9.8	8.5	26.8
Situation Comedies .....	18.1	0.60	0.96	0.87	2.43	46.9	10.7	34.4	24.9	9.4	20.6
Adventure Series .....	14.2	0.61	0.74	0.98	2.33	*	20.2	17.5	32.4	17.7	12.2
Mystery, Crime, Police Drama .....	14.0	0.81	0.95	0.45	2.21	30.2	28.8	30.3	8.5	10.1	22.3
Sports Spectacles .....	11.1	1.37	0.68	0.16	2.21	61.0	78.3	3.9	*	2.3	15.5
Western Drama .....	18.9	0.82	0.88	0.83	2.53	33.4	32.3	19.2	19.3	10.0	19.2
Quiz & Panel .....	17.5	0.74	1.09	0.38	2.21	58.2	13.8	44.2	7.5	8.6	25.9
Children's Shows .....	13.8	0.52	0.76	1.34	2.62	41.1	9.7	15.7	53.1	7.7	13.8
Interview Shows .....	13.2	*	*	*	*	*	*	*	*	*	*

\* Unable to report due to insufficient data.

**WHO CONTROLS THAT DIAL?** The hand that rocks the cradle rules the family's TV set—or so the figures in the latest (May, 1959) "Television Advertisers' Report" analysis from Trendex, printed above, would seem to show. "Togetherness," *McCall's* notwithstanding, goes right out the window when TV comes in, with general family agreement on what evening TV show to watch applying in less than 30% of households in major TV metropolitan areas (for network "specials") and as few as 12.2% (for adventure shows).

Women outnumber men as decision-makers in choosing 30-min. drama shows by more than 2 to 1—in choosing network specials by 2.5 to 1—in picking situation comedies by better than 3 to 1—and in selecting hour dramas by 4 to 1.

The family's kids are pretty much vetoed on all fronts, except for adventure shows (where they outrank mom by nearly 2 to 1), Westerns (where it's virtually a tie) and in a clear-cut victory (better than 3 to 1 over Mom) in picking their own juvenile-appeal program fare.

Of more than passing psychological interest are the program areas in which American males exercise a *Life with Father* masculine supremacy. Men rival their wives (28.8 vs. 30.3) in picking mystery & crime shows, edge out their better halves by a close margin with adventure shows and by something like one-third in picking Westerns (32.3 vs. 19.2). They really rule the roost in picking sports spectacles, when they lead by a whopping margin of 20 to 1.

Above are the Trendex-gathered figures by program types along with data on average rating levels (April & May 1959), audience composition (May), sponsor identification (April) and program selectivity (May).

The sponsor-identification figures, interestingly, largely bear out a theory that has been propounded by the Norman, Craig & Kummel agency, N.Y. which has stated (Vol. 15:16) that the best TV program environment for commercials is "warm, friendly entertainment." Crime shows (30.2%) and Westerns (33.4%) are on the low end of the correct sponsor-identification list. At the high end, with a 68.4% score, are variety, comedy & music shows—although sports shows, with a 61.0% average, provide strong sponsor-identification rivalry.

Westerns, sometimes maligned for their sponsor-identification shortcomings, vary considerably, however. The older, established outdoor sagas do fairly well. An April-May episode of *Gunsmoke* scored a strong 50.8 correct identification of Liggett & Myers (against an over-all S.I. average of 47.0 for all evening programs), *Bat*

*Masterson* scored a 48.0 for Kraft, and *Wagon Train* a 40.7 for Ford Motor Co. By comparison, newer Westerns, such as *Buckskin* with a 16.9 for Procter & Gamble, or *The Texan* with a 21.8 for Lever Bros. don't do as well.

But even the best Western is out-gunned by far in sponsor identification by shows like *Dinah Shore Chevy Show* (which gets a whopping 92.0%) or *Tennessee Ernie Ford* (90.4%), or by the *Gillette Cavalcade of Sports* (70%).

**Public Affairs Gaining:** Public affairs & news specials increased their share of night network time by 60% between 1958 & 1959, and their viewing time doubled in the same period (Vol. 15:25). There's now every indication the growth trend will continue this fall, with major advertisers helping to underwrite costs, according to our check of network headquarters last week. Here's the situation:

**ABC-TV:** This net continues heavily in Westerns, but is planning at least one 60-min. documentary on overseas missionaries, "Splendid American," for Oct. exposure, with John Daly narrating, and is currently talking to sponsors. Also, Ralston Purina will have a new travel-documentary series with John Gunther, to replace its previous *Bold Journey* film show. The *John Daly News*, sold on a participating basis, will continue in its Mon.-Fri. 6:45-7 p.m. slot. Other public affairs shows are still in the idea stage.

**CBS-TV:** In the season now ending, Prudential has been sponsoring the weekly *20th Century* series, Monsanto Chemical had 2 half-hour shows in the *Conquest* series, and Olin-Matthieson has been a sponsor of *Small World*. This fall, there'll be a major expansion of this kind of sponsored show at CBS-TV. All the above have been renewed, with Monsanto boosting its *Conquest* order sizably, from 2 to more than 20 during the season. In addition, Bell & Howell has ordered six 60-min. news specials in prime time, and there'll be nightly & Sun. 15-min. news shows. In the program development area, Irving Gitlin was promoted last week to a new post of program executive projects from his present job of dir. of public affairs in order to develop "new & sponsorable" series.

**NBC-TV:** Long a major factor in public affairs shows, NBC-TV plans to slot a number of news specials in its new Fri.-night showcase, and is now seeking sponsors. A program development fund in the 6-figure bracket (Vol. 15:20) has been granted to news v.p. Bill McAndrew to develop shows dealing with African nationalism, mental illness, communism and other topics. Texaco has signed to sponsor the nightly *Huntley-Brinkley Report*.

## Television Digest

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**DAVID KAUFMAN**

Edward Stanley, NBC dir. of public affairs, appointed to membership on the President's Citizens Advisory Committee on the Fitness of American Youth . . . William W. Scranton, ex-chairman of WNEP-TV Scranton-Wilkes-Barre, appointed special asst. to the Secy. of State . . . Andrew M. Jackson appointed chief engineer, Tidewater Teleradio (WAVY-TV & WAVY) . . . Sydney L. O'Guin, acting chief, promoted to chief of FCC's telephone div. . . George E. Hagerty, engineer mgr., WBC, elected chairman of IRE Professional Group on Broadcasting.

**CBS-USSR Summit Meeting:** CBS pres. Frank Stanton and Soviet first deputy premier Frol R. Kozlov met at a Washington cocktail party last week—and inconclusive results evolved from Stanton's efforts to get CBS's Moscow bureau reopened and to get Kozlov to appear on *Face the Nation*. The Russians expelled CBS newsman Paul Niven after *Playhouse 90* presented "The Plot to Kill Stalin" (Vol. 14:41). Kozlov told Stanton that he had not passed his test, adding "you cut off Mikoyan." He was referring to the *Meet the Press* program which ran overtime. "But that wasn't my network," Stanton protested. (It was NBC). Vice President Nixon then suggested that Kozlov consider an appearance on *Face the Nation* later in his U.S. tour. Stanton said he would guarantee "an hour without interruption." Kozlov replied: "I will discuss it toward the end of my trip."

**Personals:** William F. Wallace, ex-NBC, appointed specialist in TV program taping, Ampex professional products div. Changes in the mktg. dept. of the division: Bob Paulson promoted from natl. sales mgr. to head the newly-created mktg. administration & sales development program; Thomas J. Merson, from N.Y. district sales office mgr. to natl. sales mgr.; Gerald Miller, from dealer relations mgr. to audio merchandising mgr.; Rosel Hyde Jr., from north-west district mgr., instrumentation div., to govt. sales mgr. in the west, professional products div.

Lt. Col. Rene P. Landry, promoted from CBC controller of administration to asst. to the pres. . . Alastair M. MacKenzie, ex-gen. sales mgr. of RCA Victor (Argentina), named Latin American operations dir., NBC International . . . H. Harold Powell promoted from local sales representative to national sales coordinator, WIS-TV Columbia, S.C. . . Monas (Tony) Bachman, ex-WXIX and WISN-TV Milwaukee, appointed promotion & research mgr., KXTV Sacramento . . . Jack Launer, ex-WLWC Columbus, O., named program dir., KNTV San Jose.

John C. Moler named managing dir. of Storer radio WIBG Philadelphia, effective Aug. 1 . . . Rodger May promoted to sales v.p., E. M. (Gene) Plumstead to programming v.p., Joseph G. Deaderick to engineering v.p. of Plough Bestg. Co. (WCAO Baltimore, WCOP Boston, WJJD Chicago, WMPS Memphis & WPLO Atlanta) . . . Doug Thompson, ex-KPAC-TV Port Arthur-Beaumont, named asst. gen. mgr. of KCEN-TV, Temple, Tex.

David Aubrey, on *Time* magazine sales staff and younger brother of CBS-TV exec. v.p. James T. Aubrey, named network salesman for NBC-TV in Detroit, effective Aug. 1 . . . Leonard S. Gruenberg, former Gross-Krasne-Sillerman v.p., named NTA Pictures gen. mgr. . . Rudy Bretz of the UCLA theater arts faculty, named to new post of head of educational TV, U. of Cal. southern area . . . William R. Tincher promoted to asst. dir., FTC bureau of litigation for anti-monopoly; Alan Buxton Hobbes to asst. gen. counsel for appeals, Edwin S. Rockefeller to asst. to chairman Earl W. Kintner.

John F. Dille Jr., pres., Truth Publishing Co. (WSJV South Bend, WKJG-TV & WKJG Fort Wayne, radio WTRC Elkhart, all Indiana), named pres., U. of Chicago Alumni Assn. . . Ray Butts, operations mgr., WCOV-TV & WCOV Montgomery, Ala., was married to Miss Patsy Cade, Eufaula, Ala. June 28 . . . William L. Putnam, pres.-gen. mgr., WWLP Springfield, Mass., appointed to the Springfield Planning Board . . . Jules Bergman, ABC news, awarded fellowship in Columbia U. science writing program.

TV industry's "image" information program (Vol. 15:25) moves ahead another notch with the appointment by NAB pres. Harold E. Fellows of a pro tem committee to "expedite organizational & financial arrangements" pending the formation of a permanent 9-man committee. The group meets in N.Y.'s Waldorf-Astoria July 15. The members: Clair R. McCollough, Steinman stations; C. Wrede Petersmeyer, Corinthian stations; Willard E. Walbridge, KTRK-TV Houston; Roger W. Clipp, Triangle Publications, Inc. stations; John S. Hayes, *Washington Post* stations; Lawrence H. Rogers II, WSAZ-TV Huntington W. Va., Kenneth W. Bilby, NBC; Michael Foster, ABC; and a CBS representative to be selected.

### Obituary

Alfred J. McCosker, 72, one of the founders of MBS and 1934-47 chairman of the radio network, died July 1 in a Miami Beach Hospital, apparently of a heart attack. He was 1932-34 NAB pres., a member of the radio code authority in 1934, 1924-33 director of WOR N.Y., and chairman of its own Bamberger Bestg. Service when he retired in 1947 to live in Fla. He entered broadcasting after early careers on newspapers in N.Y. & Denver and in theatrical public relations.

Arnold Kruckman, 78, co-founder with William Randolph Hearst of the International News Service, died June 30 in Washington. In 1933, he organized the American Newscasting Assn. to assemble and distribute foreign news for U.S. radio stations.

Nathan P. Colwell, 54, OCDM TV-radio dir. and 35-year radio veteran, died of a heart attack June 27 in Battle Creek, Mich. He is survived by his widow, son and mother.

Carl Wesser, 58, chief facilities engineer, WWJ-TV & WWJ Detroit, died June 18 in Alpena, Mich. He had been with the station for 28 years.

Keith Byerly, 43, Atlanta office mgr., Katz Agency station reps, died suddenly June 29.

## Advertising

**Advertising People:** Roscoe W. Sturgess Jr. promoted to v.p., Young & Rubicam . . . Frank Davies, Cunningham & Walsh mktg. & merchandising dir., elected v.p. . . . Dr. Seymour Banks, media & program research mgr.; Herman A. Bizzell, account supervisor; Peter Franz, mktg. supervisor, and Philip M. Schaecherer, associate copy dir., all named Leo Burnett v.p.'s.

Donald E. Leonard, ex-W. B. Doner, named Fuller & Smith & Ross media dir. . . . James Kelly, ex-Ellington & Co., named Compton v.p. & creative group head . . . Gerald M. Feld, ex-Thomas Organ Co., named Doyle Dane Bernbach Los Angeles office media dir. . . . David J. Hopkins, McCann-Erickson N.Y. office v.p. & account dir., named Los Angeles office mgr.

Edwin L. Leet promoted to v.p., Erwin Wasey, Ruthrauff & Ryan . . . Ernest W. Turner named creative dir., Campbell-Mithum Chicago office . . . Harry B. Bressler, ex-Doherty, Clifford, Steers & Shenfield, named Ted Bates v.p. in copy dept. . . . Michael Hicks, ex-McLaren Adv., appointed managing dir., BBDO Canada, headquartering in Toronto.

Philip H. Cohen, Sullivan, Stauffer, Colwell & Bayles v.p. & TV-radio dept. dir., elected a director . . . Robert T. Nathe promoted from TV-radio commercial production v.p., Doherty, Clifford, Steers & Shenfield, to TV-radio programming & production dir.

**In Other Media:** A record-making \$1 million, 30-page ad has been scheduled by the U.S. electrical industry (Edison Electric Institute) for the Sept. 14 *Life* . . . *Printers' Ink* predicts that advertisers are about to be barraged with a campaign on the merits of the local weekly newspaper for reaching between-market & grass-roots areas . . . *Reader's Digest* reverts to its regular 35¢ newsstand price in its 54 test cities (Vol. 15:23) with the July issue, but will renew experiments with 29¢ & 25¢ prices in the same cities in Aug. . . . Gardner McKay, star of ABC-TV's forthcoming *Adventures in Paradise* gets *Life's* cover and a 6-page spread in the July 6 issue.

"TV Tape Commercials," by Harry Wayne McMahan (Hastings House Publishers, 151 East 50th St., N.Y. 22), an 84-page manual on new techniques of creating & producing TV advertising, has been sent in a photo-offset pre-publication edition of 250 copies to key men in the TV industry. Their comments & suggestions will be incorporated into regular edition, to be published about Oct. 1959.

Comic Bert Lahr is suing Lestoil about a TV commercial which he regards as no laughing matter. In a N.Y. State Supreme Court action he asks \$500,000 damages, charging that his "vocal comic delivery & comic sounds" were imitated without his knowledge or consent in an animated cartoon film made for Lestoil by Robert Lawrence Productions Inc., also named as a defendant. Despite his objections, allegedly, the film has been used on TV stations nationally since Dec. 1958. Lahr charges that the inferior quality of the imitation of his unique delivery has caused him serious damage.

New reps: WTVH Peoria, to Blair TV Associates July 1 (from Petry); KVKM-TV Monahans, Tex., to Jack Masla July 1 (from Everett-McKinney); KOTI Klamath Falls, Ore., to Hollingbery (from Blair TV Associates).

Daily "Television Report" is a new feature of *Women's Wear Daily*. It covers TV as a fashion & advertising medium for the women's wear industry.

Editor & Publisher's 75th Anniversary issue came out last week to say that newspapers are bigger & better than ever. Some points made by the 244-page edition: Daily circulation of U.S. papers is 58 million copies—an all-time high—10r which readers pay \$1.5 billion yearly. On the average day, 107 million people over 12 years of age read a newspaper—"far more than watch TV or listen to radio or read a magazine." Zeroing in on TV, E&P claims that newspaper popularity is year-round, whereas TV viewing has been known to suffer summertime declines as much as 44% from winter highs. Asked in Minneapolis whether they trusted newspaper or TV ads most, 56% of men & 59% of women voted for newspapers vs. 7% & 9% for TV. In Miami, 11,051 phone calls were made to ask homeowners to identify the sponsor of any TV program they might be watching. In this test of TV "effectiveness," 86% of the homes either did not answer the phone, had no TV, or reported sets off. "Of the 14% with TV sets on, less than half—or only 5% of the total sample—were able to identify the sponsor."

Tricky print media techniques can be adapted for TV to achieve "harmony of advertising impact," we are told by officials of MPO Productions, N.Y. Using a trick process called "Spectrumatte" (for which MPO holds exclusive Eastern-U.S. license), the commercial production firm has made TV translations for Norman, Craig & Kummel of the Maidenform print ad in which a bra-clad model climbs a skyscraper—for Remington-Rand of the process shot in which a family dances on the keys of a typewriter—and for Campbell's Soup of a shot that shows another family eating clam chowder while outside their window New England surf pounds musically. The process is said to be "rapid, automatic & inexpensive" by MPO.

Emerson Foote, McCann-Erickson senior v.p., is chairman of the Advertising Federation of America's week-long first annual advertising & marketing management seminar which began Sunday (July 5) at Harvard's Graduate School of Business Administration. Among others attending: TvB pres. Norman E. Cash and C. O. Moosbrugger, adv. mgr., Minn. Mining & Manufacturing Co. Analysis of 17 cases in advertising policy-making will be on the agenda.

Transfilm's "visual squeeze" commercial production technique (stills flashed on a screen to the beat of an original sound track of music & copy) has been supplemented by the use of art backgrounds combined with live models, eliminating the need for props. Consolidated Cigar, for Muriel Coronella, is the first advertiser to use the new adaptation of transfilm's year-old "squeeze" process. Transfilm claims about 90% of the field in the use of the "squeeze" technique.

### Station Rate Increases

Station	Base Hour	Minute	Date
WLAC-TV Nashville	\$900 to \$950	\$180 to \$200	July 1
WSM-TV Nashville	900 to 950	180 to 200	July 1
KREM-TV Spokane	625 to 675	160 to 190	July 15
KPAC-TV Port Arthur- Beaumont	350 to 400	<sup>1</sup>	July 1
KONA Honolulu	350 to 400	75 to 87.50	April 1
WRLP Greenfield, Mass.	200 to 300	40 to 60	March 1
<sup>2</sup> WKOW-TV Madison	280 to 300	56 to 60	June 1

<sup>1</sup> Not reported <sup>2</sup> Corrected figures, erroneously reported in Vol. 15:26.

### Canadian Increases

CHLT-TV Sherbrooke, Que.	485 to 500	120 <sup>a</sup>	July 1
CFRN-TV Edmonton, Alta.	450 to 470	125 to 130	July 1
CHCT-TV Calgary, Alta.	380 to 405	95 to 100	July 1
CKSO-TV Sudbury, Ont.	270 to 300	75 to 80	July 1
CKX-TV Brandon, Man.	170 to 200	37 to 50	July 1
CJFB-TV Swift Current, Sask.	120 to 160	25 to 35	July 1
CHAT-TV Medicine Hat, Alta.	100 to 120	22.50 to 28	July 1

<sup>3</sup> No change

## Film & Tape

### More about

**ZIV PUBLIC ISSUE COMING?** Sometime in early 1960, the TV industry may at last gain an insight into one of the best-held secrets in the film field: The gross revenues & earnings of Ziv Television Programs, the 12-year-old telefilm firm which relinquished its privately held position last week in a \$14-million deal with F. Eberstadt & Co. and Lazard Freres, Wall St. investment banking firms (see p. 3).

The 2 investment houses, N.Y. sources tell us, will probably prepare a public offering on Ziv TV in about 6 months (barring a cash purchaser appearing in the meantime), although both the Eberstadt & Lazard firms declined comment on this when we queried them directly. Some 20% of the present Ziv ownership stock will be retained by board chairman Frederic W. Ziv and pres. John Sinn. Small stock holdings of sales v.p. Bud Rifkin and close relatives of Chairman Ziv will also be retained.

There was also talk that the Ziv deal on Wall St. was linked to United Artists, which has recently been expanding in the TV field. Eberstadt launched UA's public issue 2 seasons ago, and is linked to UA through Robert Porter, who's on UA's board and who is also an Eberstadt official. Does UA intend to buy Ziv, after allowing the banking firms the 6-month period in which to earn a capital gain? UA sources we contacted avoided a direct yes or no, but indicated that it wasn't likely and that a Ziv public issue was a stronger bet.

Word of the Ziv move came, not from the banking firms, but from Ziv's PR firm, Rogers & Cowan, in a bare-bones press release on June 29.

**Pilot-Go-Round:** Hollywood producers with financial egg on their faces from too many unsold pilots are plotting ways & means of recouping their investment. Some have sold their pilots to production companies which collect them into anthology series—but this seldom returns more than a small part of the investment.

Now comes independent producer Sam Marx with the idea of producers getting together to combine their unsold pilots in series of 13 for offering to sponsors either next Dec. or spring. Marx (whose pilot, *The Jan Clayton Show*, did not sell) is now in discussions regarding producer Armand Deutsch's *Claudia* pilot. Deutsch is interested, but needs the approval of partner George Burns. Marx tells us his pilot—of the family show type—requires similar pilots as companion pieces. "I don't want detective stories or Westerns," he explains.

Marx says a producer who sells his pilot to a production company takes a 50% loss. That was why he refused Revue's offer. But if an all-pilot series should sell, for either network or syndication, the producer might recoup his entire investment, and possibly even build a profit. "Right now," he adds, "the sharks are all around, trying to snap up pilots, thinking they are distress cases."

20th Century-Fox, which has a distribution liaison with NTA (co-production on syndication series, TV release of 20th-Fox TV & feature product) is going into the telefilm field on its own. The movie firm has formed 20th Century-Fox TV International Corp., with Alan Silverbach as managing dir. The new offshoot will specialize in overseas distribution of its product.

### More about

**Republic Pictures Sold:** Although currently barred from film production because of a hassle with Hollywood talent unions over the sale of its post-1948 pictures, Republic Pictures may be back in the telefilm & movie business soon. (Its move will be studied with interest by other movie studios faced with the same problem.) A deal involving some 400,000 shares of the movie firm's stock was closed for a reported \$5-million figure late in the afternoon of July 1 between Republic's chairman Herbert J. Yates & California banker-real estate investor Victor M. Carter.

At a board meeting held at Republic's N.Y. headquarters, Carter was elected pres. of Republic Pictures Corp., with Yates named board chairman. Carter will take over the operation of the company. Yates will act "in an advisory capacity."

The agreement covers all of Republic's assets—the firm's Hollywood lot (currently leased by Four Star), Consolidated Film Labs, and all TV & feature product held by the company (primarily rerun material). Whether Carter will completely revamp the company and possibly rename it to avoid trouble with the talent guilds isn't known, but this seems a strong possibility. We are told that no production is planned, but that financing for TV & theater production is likely.

Scranton Corp.'s film offshoot, Hal Roach Distribution Corp., formerly known as Distributors Corp. of America, is seeking to regain its corporate identity, although it may retain the Hal Roach name. HRDC applied in Scranton, Pa. last week for court approval (Scranton Corp. currently is forbidden to sell assets) of the move. Although not directly in TV distribution a package of ex-DCA feature products ("*Private's Progress*," "*The Green Man*," etc.) is currently being handled by Flamingo, and HRDC officials tell us they may enter the TV field. Currently, HRDC pres. Fred Schwartz points out, the distribution firm is scoring strongly in theaters with a rock & roll film, "*Go, Johnny, Go*," starring Alan Freed.

R. E. Allen has been appointed receiver for 79 half-hour *Telephone Time* telefilms by a Los Angeles superior court judge following a petition filed by producer Jerry Stagg against Hal Roach Studios, Scranton Corp., Guild Films, Passing Parade and others. Stagg sued for receivership, accounting and \$635,000 damages, charging secret profits were made on distribution of the films.

Telenews newsfilm reported 7 new sales of 3 of its services during June. TV Continental, Rio de Janeiro and KOTA-TV Rapid City, S.D., bought the weekly news review; KGO-TV San Francisco, and WMTW-TV Poland Springs, Me. have ordered *This Week in Sports*, and the daily Telenews service now goes to KYTV-TV Springfield, Mo., with KONO-TV San Antonio & KTRK-TV Houston picking up rights to tape for re-telecast Telenews footage on ABC-TV newscasts.

Peter De Met Productions, Chicago, has planned production of 26 hour-long taped programs containing footage of "the best 26 games" of the 1959 baseball season. Distribution, by Universal TV Distributors, N.Y., will begin after this season's World Series. Games are being taped by stations with tape equipment in various major league cities and will be edited down to an hour.

ITC's *Jeff's Collie* has stacked up renewals in 83% of those markets where renewals were available. The series of *Lassie* reruns is currently in 167 markets. ITC is hopeful of 100% renewal by the fall.

**New York Roundup:** Adaptations of old movies as live-&-tape "specials" continue to be a popular program source for executives who like to play it safe. Now being discussed by Rexall for its series of 6 David Susskind specials are at least 5 cinema properties, including "Strawberry Blonde" & "Merton of the Movies" . . . NBC plans to tape or film a series of interviews with Clement R. Attlee, former prime minister of Britain, and cartoonist David Low for its *Wisdom* series this fall.

UA's movie-trained N.Y. press agents, who know a good stunt when they see one, have invited new world heavyweight champion Ingemar Johansson to turn dramatic for a one-shot appearance in UA-syndicated Bryna Productions' *Tales of the Vikings*. He is thinking it over.

Ziv is up to its neck in cigarets these days with at least 5 major tobacco firms heavily using Ziv product. Leading the pack are American Tobacco Co. (*Space* on CBS-TV & *Lock-Up* in 60 regional markets) and R. J. Reynolds (*Challenge* on NBC-TV, *Highway Patrol* & *Sea Hunt* in about 25 markets). Others are P. Lorillard (*Rough Riders* on ABC-TV), Phillip Morris (alternate weeks of *Tombstone Territory* on ABC-TV) and Brown & Williamson which underwrites *Mackenzie's Raiders* in 18 markets.

MCA TV's pre-1948 Paramount features, currently seen in 15 markets, have boosted station shares of audience "literally overnight to a leading position in its city." This finding by MCA TV's research dept. is a result of a study to determine the effect of strong feature film programming on a station's competitive position. Results were based on ARB share-of-audience reports in 7 of the 15 markets.

Peter Foy, noted for staging of Mary Martin's aerial effects in TV's "Peter Pan," and illustrator Chesley Bonestell will supervise special technical effects for Ziv's *Space* science series set for CBS-TV. Also signed was cameraman William Whitley.

Producer-Playwright Dore Schary will produce at least one 60-min. show in the NBC-TV *Sunday Showcase* series. Another writer-turned-producer now heads the series as exec. producer: Robert Alan Aurthur.

WNEW-TV's talk-show *I Speak for Myself*, which entered into direct competition with WNTA-TV's *Open End* in N.Y. about a month ago, has quietly been outrating the much-discussed David Susskind-NTA talkathon. Last week (June 27) Marya Mannes' "I Speak" scored a 2.4 ARB against Susskind's 0.9. Network competition in the 9 p.m. slot is *GE Theatre* (CBS) "Chevy Show" (NBC), and *Colt .45* (ABC), all of which outrate both gabfests.

U.S. Supreme Court, in vetoing a N.Y. State ban on the movie "Lady Chatterley's Lover" last week, also ruled unconstitutional, in a 6-3 decision, important sections of the state's movie censorship law, particularly those dealing with the criteria for licensing or banning a film.

A. C. Nielsen has given up its attempts to become the major name in British TV audience research. After 4 years of vainly and expensively battling TV Audience Measurement Ltd., Nielsen last week agreed to combine his U.K. TV service with TAM through the medium of a jointly owned holding company, with the latter firm's name used on the TV research reports. The move will spell, Nielsen sources state, "future improvements & operating efficiencies for users of basic audience research."

Only one Western (*The Rifleman*) was among the Arbitron Top 10 for the week of June 22-28, as recorded by ARB's daily multi-city reports. *Desilu Playhouse* paced the way with a 29.2 rating, followed by *Playhouse 90* (24.8) & *This Is Your Life* (24.6). *Rifleman*, with a 23.8 rating, was in 6th place.

**Hollywood Roundup:** ABC Films' new telefilm series, *Counterthrust*, to be filmed in Manila, will star Tod Andrews . . . Writers Nat Hiken, Arnie Rosen and Coleman Jacoby are developing a 60-min. situation comedy series for CBS . . . Bing Crosby's first special of the season will be on ABC Oct. 19, with his guests to be Dean Martin, Frank Sinatra, the McGuire Sisters, and possibly Crosby's 4 sons . . . ABC's only nighttime show without any sponsorship for next season is *The Gale Storm Show*.

Four Star Films has placed Herschel Burke Gilbert in charge of its new subsidiary, Four Star Publishing Co.

Bing Crosby and Frank Sinatra will each guest on one of Dean Martin's 2 Ford specials (NBC) next season. Martin, offered 4 specials by Timex, had bypassed them in favor of 2 for Ford. He will reciprocate the Sinatra & Crosby guesting by appearing on their specials, and will guest with Bob Hope to repay a visit of last season.

Producers Lester Sill and Lee Hazlewood are producing a pilot, *The Quiet Three*, this week, using the facilities of Mobile Video Tapes Inc. . . . Production on the Goodson-Todman Western series, *The Rebel*, begins at Paramount July 21. Nick Adams stars in the series, which is being produced by Andrew Fenady & Irvin Kershner.

Goodson-Todman has named ex-Perry Mason story editor Gene Wang to be producer of its *Philip Marlowe* series, replacing William Froug. The latter will prepare the *Jade O'Hara* pilot and other properties for G-T . . . Ziv TV has appointed Jon Epstein exec. associate to producer Ivan Tors of Ziv's *Sea Hunt* & *Challenge* series.

Irving Briskin (following sale of his Briskin Productions to Columbia) last week was elected a v.p. of Columbia. He will continue in charge of all Coast activities for Screen Gems, Columbia's TV subsidiary.

Music Makers Inc. has joined Film Producers Association of N.Y. as associate member, says FPA pres. Nathan Zucker. Music Makers, although not a producer, specializes in the creation of music backgrounds & jingles for TV-radio commercials . . . ITC reports that *Ding Dong School*, now being distributed as a tape series, has been sold to 66 stations in less than 7 weeks for fall start. Production on the moppet-appeal series starts in Hollywood next month. Some stations, however, will be airing the show from kinescopes rather than tape because of lack of facilities. Pre-production sales of spots in the series to several leading advertisers have accounted for approximately 50% of all "Ding Dong" availabilities, says ITC.

Bernard L. Schubert Corp. has named John Maschio, ex-Jaffe agency, production head for its coast operations. . . . Bob Wells has been signed to produce Gene Kelly's first of 3 specials for Pontiac on NBC next season.

Jack Benny, the man who put Waukegan, Ill., his hometown, on the map, has been well rewarded for his efforts. The board of a new junior high school there has unanimously elected to name the school after him.

Show Corp. of America will be in contempt of a court decree if it attempts to distribute 8 Ben Bogeaus-produced movies to TV, the producer told us recently. SCA had announced it served notice on Bogeaus it planned to "assert" its right to distribute the movies, which are a subject of litigation between RKO & Bogeaus. He said he was mystified by the SCA action, explaining a Los Angeles superior court injunction handed down several weeks ago forbids RKO and/or any one person or persons or corporation acting in concert with RKO to distribute such movies of his (Vol. 15:22). Bogeaus sued RKO to prevent TV distribution, charging breach of its distribution agreement and refusal to deal with talent guilds on residuals.

# Trade Report . . . .

JULY 6, 1959

**BUSINESS INDICATORS AT MIDYEAR:** As 1959 passes its halfway point, all signs & portents point to good 2nd half for consumer electronics industries. Here are some highlights:

Retail TV & radio sales for May, just compiled by EIA, show increases over May 1958 and over April 1959. TV sales for the month were 279,536 vs. 237,189 in May 1958, and radio sales totaled 400,882 compared with last year's 385,383. Cumulative retail TV sales, however, were still slightly behind total for first 5 months of 1958, while radio sales were sharply ahead (details on p. 21).

Initial reactions to new TV-radio-stereo lines at current dealer showings have been excellent to date. Examples: RCA reports orders 20-40% above last year across the board at dealer meetings so far. Packard-Bell reports 247% increase in dealer orders at its new-line unveiling last week, as compared with last year. Hoffman reports 100% increase in orders over 1958's distributor convention.

GE announced it is stepping up its TV production schedule as result of "distributor acceptance of GE's 1960 TV product line, the current upswing in national economy and increased sales of TV sets." An additional production line will be started after GE's annual vacation shutdown in August.

Although TV thus far this year hasn't shared boom of other consumer durables—notably appliances, stereo & radio—feeling of optimism pervades industry, with all levels of trade counting on innovations to spur 2nd-half buying. It's too early yet to gauge public reaction to 23-in. tube—not yet in retail showrooms—but most dealers have reacted strongly, and just about every set maker is now planning to drop in a couple of 23-in. sets next fall.

TV trade-ins are at all-time high—56% of all TV sales, according to NARDA's cost-of-business survey (Vol. 15:26)—indicating heavy replacements of sets. And NARDA exec. v.p. Al Bernsohn tells us many trade-ins now are 5 years old or even less. He says dealers generally credit new slimmer sets with creating obsolescence in old-type TV. NARDA chairman Mort Farr sees further acceleration of trade-in trend with introduction of 23-in. sets. "People are reluctant to trade a 21 on another 21," he says.

Another big innovation which will probably have to keep till next year for mass-marketing purposes is the battery-operated TV set. First direct-view transistor set planned for production was shown last week by Emerson—as predicted in these pages last March (Vol. 15:13). It's 17-in. model, 25 transistors, to list at \$250, production to start about first of year. Weight is 35 lb. Set will play for about 4 hours on a battery charge, and batteries may be recharged up to 40 times. Portable can also be powered by house current. (For details of new Emerson & Du Mont lines, see p. 20).

Only 2 more major TV manufacturers have yet to show their 1960 lines: Motorola, whose first dealer convention is scheduled early this week, and Westinghouse, which still hasn't set date for showing, having just settled 13-week TV-radio plant strike (see p. 20).

**2-COLOR SYSTEM IN TV'S FUTURE?** Dr. Edwin Land, president of Polaroid Corp. and discoverer of remarkable new aspects of human color vision, thinks a far simpler color-TV system—giving full range of colors from only 2 basic color sources—may be possible. He agrees with most color-TV engineers, however, that there are many obstacles in path of this kind of simplified TV color.

Few discoveries of recent years have so intrigued the scientific world as Dr. Land's findings that the eye can see full color in images which, according to 300-year-old theories, should be in monochrome. In a long series of experiments, he found that human eye doesn't need whole color spectrum to see all colors—it doesn't even need 3 "primary" colors (as in color TV).

Full color, he found, can be seen when black-&-white "color separation" photo positives—taken through different color filters—are projected using only 2 colors. And color sources for projection of these "full-color" photos are highly flexible—they can be red & white, red & green, even as close together in spectrum as red & orange or 2 shades of yellow.

What will this mean to TV—eventually? We asked Dr. Land & several color-TV authorities who are familiar with his experiments. Dr. Land told us:

"Almost all of our attention has been on the purely scientific aspect of the nature of color vision. We feel it is obvious that if a color TV picture were as good as the pictures we can make photographically [with the 2-color method] that there would be considerable value to a simplified TV system—but we have no opinion about how difficult it would be to make the individual TV images of adequate quality and how difficult it would be to match them in size.

"We have done some more-or-less-routine experimentation with TV but are relying for the present on photography as the best technique for exploring the nature of color vision."

Spurred by Dr. Land's photographic results, some TV labs have been experimenting with rudimentary 2-color processes. Bell Labs modified a 3-tube color projection system to use only 2 tubes—red & white. TV research engineer Millard W. Baldwin explains to us: "You can make good-looking pictures with such a system—some of the time. But all of the time? TV is quite different from still color photography. It shoots continuously—everything—anything in front of the camera. Without careful composition, I'm afraid you'd have trouble getting natural color all the time. Nevertheless, I'm surprised nobody has really tried to build a complete color-TV system based on the Land principles."

RCA Labs' Ray Kell, an old color hand, voiced similar opinion. Interpretation & application of the theory are very complex, he told us. He pointed out that to see full-color from a 2-color projection, the colors in the scene must be arranged in "random" manner—there should be at least several different colors, objects of some color contrast. "If you show a red brick building on a green lawn, the picture probably would be OK. But as you pan down to show the green grass by itself, the color would wash out & disappear."

Another well-known TV engineer, veteran of the NTSC, also was worried about this presumable complete lack of color in pictures without color contrast. But he added: "If you'll remember, 3 colors weren't enough for color printing. So who knows?"

Proposed red-&-white color-TV system is described in Fortune magazine by writer Francis Bello: "One beam would produce a basic b&w picture (photographed through a green filter at the TV studio), and a second beam would produce a 'red interlace' of coloring information by activating red phosphors. Such a system should be remarkably stable, requiring none of the present delicate balancing of color & brightness. Whether this improvement would compensate for some probable loss of quality & intensity in reproduction of blues would have to be determined by acceptance tests . . ."

Although its commercial potential is completely uncharted, you'll be hearing plenty more about this fascinating new color theory. For basic background, in case you missed them, 2 excellent not-too-technical articles are available: Dr. Land's own "Experiments in Color Vision" in May Scientific American, and Francis Bello's "An Astonishing New Theory of Color" in May Fortune. If you are interested in basic scientific theory which conceivably could have important implications in many different fields—including TV—we highly recommended a grounding in Dr. Land's color work.

**TV-RADIO PRODUCTION:** EIA statistics for the week ended June 26 (25th week of 1959):

	June 19-26	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV .....	110,300	121,369	77,290	2,690,519	2,092,512
Total radio .....	288,041	310,859	161,764	6,852,524	4,470,685
auto radio .....	126,022	138,427	57,928	2,792,162	1,417,434

Emerson and Du Mont TV-stereo-radio lines were shown to distributors last week in N.Y. Emerson's TV line consists of eleven 21-in. sets priced from \$218 to \$338, four 17-in. portables & table models at \$178-\$248, three 21-in. combinations (2 of them stereo and one including stereo FM-AM tuner) at \$248-\$498. Radios range from \$17.88 to \$54, stereo phonos & radio-phonos from \$78 to \$328. At the showing of Emerson's Du Mont line, a new "restricted dealership" program was announced to distributors, in which the company recommends that no more than one dealer be franchised to handle Du Mont sets in cities with less than 50,000 population. Du Mont line has five 24-in. sets at \$370-\$520, thirteen 21-in. at \$230-\$440, the "Royal Sovereign" 21-in. TV-AM-FM-stereo at \$895 and 7 stereo phonos (some with AM-FM stereo tuners) at \$120-\$480.

Settlement of Westinghouse's 13-week strike at Metuchen, N.J. TV-radio plant came June 28 with ratification by Local 401, IUEW, of an agreement which provides for arbitration of 9 of the grievances which triggered the strike, elimination of production quotas for 9 months, quarterly meetings between union & management, guarantee of non-discrimination against strikers, other points.

Raytheon will build a 140,000 sq. ft. transistor plant in Lewiston, Me., starting early this fall. To be completed by mid-1960, it will eventually employ more than 2000 on an annual payroll of \$7-\$8 million, according to pres. Charles F. Adams.

Hoffman has cut the retail price of its solar-powered transistor radio from \$75 to \$59.95, giving as the reason "new production efficiencies & expanded sales volume."

# TV & Radio Production and Sales Index, 1949-1958

(All Unit and Production Figures in Millions)

	F.R.B. Industrial Production Index <sup>1</sup> (1947-9=100)	Radio Set Unit Production (1949=100)	TV Set Unit Production (1949=100)	Radio Sets, Units <sup>2</sup>			TV Sets, Units <sup>2</sup>			Components Factory Sales Value <sup>2</sup>		
				Dealer Sales	Prod.	Mfg. Val.	Dealer Sales	Prod.	Mfg. Val.	Picture Tubes <sup>3</sup>	Receiving Tubes	Diodes & Transistors
1949	97	100	100	N.A.	11.4	\$310	2.6E	3.0	\$ 580	\$102	N.A.	N.A.
1950	112	127	250	N.A.	14.6	375	6.1E	7.5	1350	215	N.A.	N.A.
1951	120	110	180	N.A.	12.6	316	5.9E	5.4	957	131	N.A.	N.A.
1952	124	96	203	7.7	10.9	250	6.1	6.1	1049	179	\$259	N.A.
1953	134	117	240	12.2	13.4	298	6.4	7.2	1230	245	191	N.A.
1954	125	91	243	10.6	10.4	229	7.3	7.3	1029	206	385	\$ 15
1955	139	127	260	13.7	14.5	291	7.4	7.8	1071	221	358	33
1956	143	123	248	13.4	14.0	298	6.8	7.4	939	212	374	74
1957	143	135	213	15.1	15.4	374	6.6	6.4	833	183	384	128
1958	134	110	163	12.3	12.6	337	5.1	4.9	668	163	342	200E

<sup>1</sup> Federal Reserve Bulletin. <sup>2</sup> Electronics Industries Assn. as reported in *Television Digest*. <sup>3</sup> Excluding other cathode-ray tubes after 1956. E—Estimate. N.A.—Not available.

**Handy Statistical Table:** Presented in a form which makes year-to-year comparison easy, the N.Y. Stock Exchange firm of Alex. Brown & Sons prepared this table of TV-radio production & sales from figures which have previously been reported in TELEVISION DIGEST. Because of the convenience of the format, we are reproducing it from the firm's June *Industry Review Service*, which is devoted to the TV manufacturing & broadcasting industries.

The Brown review predicts a "fairly good recovery in demand" for TV sets this year and states that retail sales of 5.75 million units are possible, but "demand for other consumer electronic equipment [notably stereo] may well exceed that for TV sets." The report analyzes RCA, CBS, AB-PT, Hoffman, Philco, Motorola & Zenith, and is available from Brown's home office at 135 E. Baltimore St., Baltimore, Md., or its other offices in N.Y., Washington, Winston-Salem and Frederick & Towson, Md.

Star Valley Electronics Inc., Thayne, Wyo., is new manufacturing company headed by C. Richard Evans, former gen. mgr. & chief engineer of Salt Lake City's KSL-TV & KSL and recently v.p.-gen. mgr. of Hawaiian Bestg. System (KGMB-TV & KGMB Honolulu, KHBC-TV & KHBC Hilo, KMAU-TV Wailuku). The firm's principal products will be a line of electronic musical instruments invented by Evans, including a jazz guitar & "the first electronic classic guitar." The company's first product will be a new type of automatic audio sweep generator weighing only 10 lb. and designed for broadcast stations, communications installations and labs.

Recruitment of engineers via TV is being tried by Librascope Inc., Glendale, Cal. electronics firm, with a twice-weekly *Blueprint* program on KCOP Los Angeles. The program deals with scientific developments and devotes its commercials to the firm's employment advantages.

Directory listing 100 Japanese manufacturers & exporters of radios, hi fi & parts—all said to be seeking contacts with U.S. firms—has been published by Japan Export Guides, Box 114-A, Kew Gardens 15, N.Y. It's priced at \$2.

ITI Electronics Inc. is the new name chosen by Industrial Television Inc., Clifton, N.J., electronics manufacturer, in recognition of its broadened activities in non-TV fields.

Raytheon has been awarded \$161 million in Army contracts for continued production of the low-altitude Hawk air-defense missile system.

**SALES & PRODUCTION FIGURES:** Retail TV & radio sales for May were higher than those of May 1958—continuing the trend which began in March. Total Jan.-May TV sales were still slightly below 1958's comparable figures, while radio sales for the period were well ahead of last year (see p. 19).

TV & radio production were higher than 1958 both for the month & the cumulative Jan.-May period. TVs with uhf tuners totaled 28,247 in May, 20,501 in April, and 29,406 in May 1958. FM radio production totaled 48,841 in May, 31,425 in April. Here are EIA's official monthly TV sales & production figures:

	1959		1958	
	Production	Sales	Production	Sales
January .....	437,026	501,704	433,983	531,486
February .....	459,492	448,173	370,413	448,727
March .....	494,032	425,749	416,903	416,756
April .....	389,251	263,998	302,559	243,132
May .....	431,911	279,536	266,982	237,189
Total .....	2,211,712	1,919,162	1,790,840	1,927,290

Radio sales for May (excluding auto) totaled 400,882 compared with 388,863 in April 1959 and 385,383 in May 1958. Jan.-May retail sales were 2,480,686 vs. 2,084,937 during the like 1958 period. Radio production for May was 1,039,562 (including 476,222 auto) vs. 1,040,183 (422,346 auto) in April and 620,899 (185,616 auto) in May 1958. Cumulative Jan.-May output was 5,677,421 (2,262,390 auto) vs. 3,876,737 (1,229,086 auto) in the 1958 period.

"Granco produced 44% of all FM radios sold during the first quarter of 1959," claims a trade ad by Granco Products Inc., big maker of low-priced FM sets (Vol. 15:21). EIA reports 92,374 FM sets were produced during the first quarter. Assuming production & sales about equal for the period, arithmetic would indicate Granco's claimed production is about 40,500 for first-quarter 1959.

Sylvania's new closed-circuit TV camera is now in pilot production at the company's Batavia, N.Y., plant. Mass production is slated by the 4th quarter of this year. Due to be priced at about \$550, the 5-tube camera will be aimed at residential as well as industrial, educational & military markets.

Closed-circuit TV system which GPL claims transmits 4 times more data than heretofore possible is being produced for Navy's BuShips. The high-resolution system operates on a Navy standard of 875 scanning lines, has a bandwidth of 20 megacycles, and provides a horizontal picture resolution of 1000 lines.

**SOVIET MERCHANDISE MART:** From its high pedestal, the bronze bust of bearded A. S. Popov ("the inventor of radio") frowned benevolently down on a scene reminiscent of a Davega showroom on Saturday afternoon. "Customers" manipulated dials on a wide variety of TVs, radios, hi-fi and stereo combinations of many sizes, shapes & finishes—all lined up neatly for demonstration. Salesmen with winning smiles were extolling the virtues of these latest electronic wonders—but no sales were made.

The scene—the home electronics exhibit at the Soviet Exhibition which opened Tuesday (June 30) in the N.Y. Coliseum—will be repeated daily through Aug. 10. The dealer-showroom illusion was somewhat dispelled by the lack of traditional point-of-sale advertising posters & banners. In their place were tributes to Russian advances in TV-radio technology. One wall mural depicted Moscow's proposed 1677-ft. TV tower (Vol. 14:47) dwarfing the Empire State Bldg. and Eiffel Tower which stood next to it. Another display paid homage to B. L. Rosing, with whom "the birth & development of electronic TV . . . are connected" (in 1911, "he obtained a simple image on the screen of a cathode-ray tube").

The TV sets displayed & demonstrated (mostly by Russian engineers) varied in screen size from 7- to 21-in. In appearance, most of them strongly resembled West German & other European sets, with their high-gloss wood cabinets. While the exhibits stressed 19- & 21-in. sets, Soviet attendants at the exhibit conceded that many of the large-screen units aren't in production yet.

The 2 stand-out models: The "Champion"—an inlaid wood chess table which opens up to convert to a 21-in. TV (somewhat similar to RCA's "hideaway" coffee-table models). A tiny, compact 7-in. transistorized battery-operated portable. The Champion was priced at 5000 rubles (\$500 to \$1250, depending on which exchange rate you use). The little 30-transistor metal-cased portable, scheduled for production "in a few months," had 2 interesting deficiencies: (1) No carrying handle. (2) No provision for an internal battery. We were told that an external 12-volt battery must be used.

Other TV models had pushbutton tuning, clock timers, wired remote control, built-in tape recorders & FM tuners. Many of the sets used vertical chassis, and we were told that 90% of the TV receivers built today in Russia use printed circuits. The 110-degree tube has come to Russia, too—we saw several such models.

Since Russia uses a 625-line TV standard, U.S. stations couldn't be displayed on the sets. They were fed instead from both vidicon and image orthicon camera chains located around the exhibition—with generally excellent results. On most of the sets the 625-line closed-circuit picture came through clear & crisp, with good contrast. (One super-deluxe set, incidentally, with pushbutton tuning, 7 speakers and clock timer, is called the "Admiral.")

Also shown, behind glass, was the control room of "a typical TV center, designed for operation in small towns," with banks of monitors & controls. A novel 4-lb. pistol-grip vidicon camera with back-carried transmitter—all transistorized—was demonstrated for remote telecasts.

The Russians didn't bring their compatible color system to the exhibition. The only color shown was a medical field-sequential closed-circuit system with a 5-in. direct-view screen & a rather dim projection unit which boosted the picture up to about 24-in. proportion. The camera was focused fixedly on a vase of flowers on an operating table.

A separate exhibit was devoted to CTEPEO\*, with a special listening room to show its advantages over MOHO†. Stereo recordings were fed to the demonstration sets on 15-in.-per-sec. tapes (no Russian stereo discs were in evidence). Although some of the equipment was quite elaborate, no new principles appeared to be used. In one novel demonstration, 4 speakers were grouped in the traditional string-quartet arrangement, each one representing an instrument. Fed by separate tapes, each reproduced the sound of its own instrument.

Perhaps the most eye-catching (or ear-catching) device in the home electronics display was the "Ecvodin," an electronic musical instrument resembling (and sounding somewhat like) an electric organ. The largest model had 2 piano keyboards and a long smooth surface on which the capacitance of the hand produced differently pitched notes. The Russians claim the Ecvodin, described as a concert instrument, can electronically imitate "all the instruments of a symphonic orchestra." The claim was at least partially substantiated by the interesting variety of sounds made by the instrument.

Some nervous TV-radio & parts makers see the rather elaborate home-electronics display as a prelude to a Russian attempt to invade the TV market. They point to recent limited successes of Soviet optical & lab equipment designed for schools, consistently underselling the domestically produced equivalents.

If the Soviets have their eyes on the U.S. markets for electronic gear, nobody at the exhibition seemed to know anything about it. On the basis of an inspection of the equipment, we'd say considerable restyling would be necessary to make Russian consumer products acceptable to U.S. tastes. And TV exports are virtually ruled out by the difference in standards between U.S. & Russia and the fact that Russia hasn't yet been able to fill home demands for TV—2 principal factors which have helped keep virtually all European-made TV off the U.S. market (Japanese TV, incidentally, uses U.S. standards).

We attended the exhibition's press preview June 29, spending most of our time at the TV-radio displays. We were talking with a Soviet engineer when an army of N.Y. cops invaded the Coliseum and brusquely shooed out all visitors to make way for President Eisenhower, who was about to visit the exhibition. As a large group of policemen converged on the electronics display and rudely urged us to depart, the Russian looked at the uniforms, shrugged his shoulders and said with a resigned smile, "It's the same all over."

\*Stereo. †Monaural.

Electronic "schoolmarm" that grades 24 tests simultaneously—at the rate of 6000 answer-sheets an hour—with 100% accuracy has been blueprinted by the Educational Testing Service (ETS). The desk-size machine is being built to ETS specifications by the Norden div. of United Aircraft Corp.

Wurlitzer Co. has acquired all patents & inventions for electronic pianos from Miessner Inventions Inc. of Morristown, N.J. The seller is Benjamin F. Miessner, longtime innovator & engineer in electronics. Wurlitzer has been exclusive manufacturer of an electronic piano since 1955.

Wharfedale Wireless Works Ltd., manufacturer of loudspeakers which are sold extensively in U.S. and other countries as well as England, has been acquired by the Rank Organization, J. Arthur's diversifying film empire.

**Trade Personals:** Lt. Gen. James D. O'Connell, recently retired as Army Chief Signal Officer, named consultant to General Telephone & Electronics Corp. . . . H. E. Taylor Jr. promoted from industrial products mktg. mgr., Philco govt. & industrial div., to mkt. development dir., Philco International . . . Charles C. O'Brien appointed Zenith mktg. mgr. for hearing aids and related products . . . John M. Leslie Jr., ex-Ampex, appointed exec. v.p., Orr Industries, continuing as gen. mgr.

Harold Metz promoted from special management projects, RCA Service Co. international div., to v.p.-technical educational programs . . . Jack E. Arndt promoted from audio project engineer to consumer product line mgr., Heath Co.; Roger S. Whitlock, ex-Tung-Sol, named technical product line mgr. . . . Payne B. Johnson named to new post of adv. & PR head, Stromberg-Carlson-San Diego . . . James R. Black, ex-U. of Mich., named to Motorola military electronics div. as microelectronics lab mgr., solid state electronics dept. . . . J. Frank Price elected v.p.-operations and a dir. of GPL subsidiary Pleasantville Instrument Corp.

**Distributor Notes:** Hoffman appoints 7 Graybar Electric Co. branches for TV, stereo hi fi & radio in southern Mississippi, southern Louisiana & southeastern Texas.

William F. Smith, promoted from gen. mgr. to pres.-gen. mgr., Knickerbocker Distributing Corp., Motorola distributor for N.Y. area . . . Newton B. Misell appointed to new post of sales mgr. for built-in TV receivers, Raymond Rosen & Co., Philadelphia RCA Victor distributor.

Du Mont will sell its TV & stereo lines direct to dealers in the N.J. area. Igoe Bros., Newark was previously Du Mont's N.J. distributor.

General Precision Equipment Corp. is offering stockholders a \$2.98 dividend convertible preference stock at \$50 a share. Under the 105,928-share (\$5,296,400) offering, common stockholders of record June 25 get rights to the new issue in the ratio of one preference share for each 11 shares of common held.

Remote control unit which opens TV set doors, changes channels and rotates indoor or outdoor antenna for best reception, is being demonstrated by Motorola. The unit is not in production, but is a "look into the future," and will be shown at various TV & department stores.

TV set sales in Washington, D.C. area for the first 5 months of 1959 are up 20% over the same 1958 period, according to the Electric Institute of Washington—30,416 vs. 24,719. Radio sales dropped to 29,333 from 31,343.

**Foreign**

Construction of 5 new TV stations is underway in Sweden, at Borlange, Sudsval, Vasteras, Emmaboda and Vastervik. The Borlange station will operate with 60-kw ERP, the others from 10 to 60 kw. Equipment is being supplied by Marconi.

Commercial TV in Holland won a victory over govt.-sponsored telecasting recently as the Dutch cabinet agreed "in principle" to allow the Independent Exploitation Co. to inaugurate commercial TV. Radio stations connected with the govt.-sponsored Dutch Television Foundation oppose the measure, claiming that commercialism is a threat to the cultural level of TV. The independents in turn assert that commercial TV is the only answer to foreign competition. A major battle is expected.

**Finance**

Avco profits declined sharply during the first-half fiscal year ended May 31. However, this year's 2nd-quarter net profit was almost double that of the first. For the 6 months ended May 31:

	1959	1958
Sales .....	\$148,420,000	\$140,219,000
Net income .....	4,202,000	6,210,000
Earned per share .....	41¢	67¢
Shares outstanding .....	10,217,231	9,077,281

Reports & comments available: Telechrome, analysis by De Witt Conklin Organization, 120 Broadway, N.Y. . . . Taft Bcstg. Co., prospectus, Harriman Ripley & Co., 63 Wall St., N.Y. . . . Telemeter Magnetics, prospectus, Lehman Bros., 1 William St., N.Y. . . . Ampex Corp., market letter report, Ralph E. Samuel & Co., 115 Broadway, N.Y.

Electronics Investment Corp., Electronics Capital Corp. and Salik & Co., all headed by Charles E. Salik, have moved their home offices to 1400 Fifth Ave., San Diego 1, Cal.

**Common Stock Dividends**

Corporation	Period	Amt. Payable	Stk. of Record
Avco .....	—	\$0.10 Aug. 20	July 31
Daystrom .....	Q	.30 Aug. 14	July 27
Howard W. Sams.....	Q	.12 July 25	July 10
Wometco Ent. (Cl. A).	Q	.17½ Sep. 15	Sep. 1
Wometco Ent. (Cl. B).	Q	.06½ Sep. 15	Sep. 1

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**RCA Maintains Pace:** Second-quarter earnings of RCA should be about 40% higher than the 1958 figure, with a sales increase of some 15%—approximately the same percentage gains reported for this year's first quarter, which was the best first-quarter in the company's history (Vol. 15:19). A spokesman said the net profit for the second quarter will be about \$6.5 million vs. \$4.5 million in the 1958 period, with sales totaling more than \$300 million vs. last year's 2nd-quarter sales of \$264 million. First-half sales, therefore, should be about \$625 million vs. \$525 million last year, profits \$19-\$20 million vs. \$13.5 million in 1958.

Varian Assoc., Palo Alto, Cal. manufacturer of microwave tubes, electronic components, etc., has filed SEC registration (File 2-15263) offering \$4 million of convertible subordinated debentures due in 1974 and 20,000 shares of \$1 par capital stock. Proceeds would be applied to working capital & a \$3 million expansion of the company's plant.

American Television & Radio Co., St. Paul, has been granted an SEC hearing July 14 in Chicago on charges that it made "false & misleading representations" in an application for registration exemption for a stock offering (Vol. 15:25). SEC said the hearing will determine whether its order temporarily suspending a regulation "A" exemption for the company should be vacated or made permanent.

**COMMON STOCK QUOTATIONS**  
Week Ending Thursday, July 2, 1959  
Electronics TV-Radio-Appliances Amusements

NEW YORK STOCK EXCHANGE					NEW YORK STOCK EXCHANGE				
1959		Stock	Close	Wk. Chg.	1959		Stock	Close	Wk. Chg.
High	Low				High	Low			
29½	17½	Admiral	24½	+1½	45½	28	ITT	40¼	+1¼
39¾	29½	AmBosch	33¾	-½	50½	36½	I-T-E	47½	+¾
29½	20½	AB-PT	27	—	123½	72½	Litton	113¾	-¾
84½	61¼	Amplex	78¾	+1¾	37	27¾	Loew's	29	-¾
89	75½	AT&T	81¼	+1¾	70	48¼	Mag'vox	58½	+4¼
46¾	32¼	Amph-Borg	39½	-½	48¾	36¾	Mallory	45¼	+¾
36¾	23½	Arvin	26	+2	138	111½	MplsH'll	134¼	-¼
17½	10½	Avco	15½	+¾	130	57½	Motorola	116	+8¼
74¾	36¼	BeckInst	61¼	-½	12¼	9¾	NatThea	105½	+¾
89	66	Bendix	77¾	+2¾	50¾	44	Param't	47¾	-1½
38¾	24¾	Clevite	38½	+3½	36¾	21	Philco	31¼	+½
48¾	35	CBS	46½	—	71	43½	RCA	69½	+4¾
24½	17	ColPict	18¾	-½	73½	51¼	Raytheon	57½	-½
42¾	33¾	ConsElec	37½	-½	10¾	8½	RebPic	105½	+½
49¼	33½	ConsElInd	48¾	+2¾	45¼	26½	Siegler	33½	-1¼
30½	20¾	Cor-Dub	27¾	+1¼	9½	6½	Sparton	7½	-¼
138	89¾	Corning	138¾	+4¼	28¼	21¼	SpryRnd	26	+1
49¾	34	Daystrom	41½	+1½	23¾	14¾	StdCoil	19	+¾
21¼	17½	Decca	17¾	-¼	33¼	18	StanWar	32¾	+¾
59½	42	Disney	45½	+2¾	53¾	42½	StewWar	52¼	+¾
69¾	48½	EmerElec	64¼	+2¾	33½	24½	Storer	31½	+1½
26¾	13¾	EmerRad	21½	+2¾	13¾	9	Telautog	11½	—
33	12¾	Gabriel	24½	+¾	153¾	61¼	TxsInst	148½	-2¼
42¾	34¾	GenBrnze	38½	+4¼	70¼	56¼	ThompR-W	66½	+4¾
66½	53½	GenDyn	55¾	—	54¼	34¾	Tung-Sol	47¼	+1½
84¾	74¾	GE	80¾	+¾	43½	34¾	20th-Fox	35½	+¾
38¾	16½	GenInst	32	—	32¼	24¾	UA	31	+¼
45½	31½	GPE	40½	-¾	29¾	27½	UnivPic	28½	—
73¾	60	GenTel	69¾	+½	47¾	24¾	WrnBrns	42¾	-2½
83	44½	GenTire	75¾	-¾	97½	70½	Wstghse	95	+3
37	28¾	Hoffman	35¾	+1¼	136¾	92½	Zenith	125¾	+¾
488	385½	IBM	447	+3					

AMERICAN STOCK EXCHANGE					AMERICAN STOCK EXCHANGE				
1959		Stock	Close	Wk. Chg.	1959		Stock	Close	Wk. Chg.
High	Low				High	Low			
5¾	3¾	AllidArt	5	—	12½	5¾	HrldRad	9¼	+½
65¾	36¼	AllidCon	55	+2½	22¾	7	IntRes	19½	+1¾
19¾	11¾	AmElec	16¾	-¼	19¼	9¾	Lear	14¼	+¼
26½	15¾	AudoDev	21¾	+2½	2¾	1¾	MuntzTV	2¼	—
22¾	10¾	Belock	17¾	-¼	12	5½	Muter	9¼	-¾
10¼	4	Clrostat	8¼	-½	4¾	2¾	NatUnion	3¾	—
9¾	6	DuMont	8¼	+¾	48¾	23½	PhlpsEl	48¾	+5
12¾	4½	DynamAm	10¼	+¾	43½	14¾	ServoCp	31½	+1
44¾	28¾	ElecCom	40¾	+1	18¼	9	Servomech	13½	-½
16¾	9½	ElecCp	11½	-¾	10¾	5¾	Skiatron	6¾	+¾
2¼	1	†El-Tron	1½	-½	17¾	9¾	Sonotone	14½	-¼
174	50¾	FairCam	179	+24	9¾	6¾	Techclr	7¾	-½
88¼	49	GenTrans	79½	-½	22½	9	Tlprmp	17¼	+¾
27¾	20¼	GlobeUn	24¾	-¾	7¾	4¾	TivInd	5¾	+¾
3	1¾	GldFlm	2¼	+½	14¾	7	TransLux	13	+¼
75	54½	Hazeltine	65	+3	19¾	6¾	Vctoren	15½	+1¾

**OVER THE COUNTER AND OTHER EXCHANGES**

The following quotations, obtained from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Advance Ind	2½	3	Maxson (W. L.)	12¼	13¾
Aerovox	9½	10¾	Meredith Pub.	35½	38¾
AMP Inc.	36¾	39	Metropolitan Bcsst.	17¼	18½
Baird Atomic	12½	14½	Microwave Associates	20½	21½
British Ind	32	35	National Co	26½	28¾
Capital Cities TV	9¼	10	Official Films	1½	1¾
Cinerama Prod.	2½	2½	Orr Ind.	34½	37¼
Collins Radio	36	38¾	Pacific Mercury TV	11½	12¾
Cook Elec	42	45½	Packard-Bell	42½	47
Craig Systems	10¾	11¾	Panellit	5	6
Eitel-McCullough	42½	45½	Perkin-Elmer	48½	51¾
Elec Assoc	38	42	Philips Lamp	84¾	87¾
Erie Resistor	10¼	11½	Reeves Soundcraft	9¼	10½
Giannini, G.M.	32	34½	Sprague Electric	50	53¾
G-L Electronics	10¾	12	Tele-Broadcasters	1	1¼
Granco Products	4¾	4¾	Telechrome	18	20¾
Gross Telecasting	23¾	25¾	Telecomputing	10¾	11¾
Hewlett-Packard	39¾	42¾	Time Inc.	66	69¼
Hycon	3	3½	Topp Ind.	13½	14¼
Jerrold	6¾	7	Tracerlab	9½	10¼
Leeds & Northrup	33¾	36½	United Artists	9¾	10½
Ling Altec	2¼	2¾	Varian Associates	29½	32
Ling Electronics	23¼	25½	Wells-Cardner	17½	19¼
Machlett Labs	27	29	Wometco Ent.	11¼	12¼
Magna Theater	2¼	2¾			

Where a stock dividend or split amounting to more than 25% has been paid, the year's high-low range is shown for the new stock only. † In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. — No change during week.

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JULY 13, 1959

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

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## SUMMARY-INDEX OF WEEK'S NEWS

### Congress

**BROADCAST EDITORIALS ABOUT EQUAL TIME** notably absent. Sec. 315 amendment prospects touch-&-go. Harris subcommittee favors stripped-down bill (p. 1).

### Auxiliary Services

**STATION-CATV BATTLE**—more of same in Senate hearings. Pastore reiterates opinion "curative action" is needed. CATV operators gear for rebuttal (pp. 2 & 7).

**FIGHT PROMOTER ROSENTOHN** to handle own closed-circuit in Johansson-Patterson rematch. TelePrompTer's gross in June 26 bout exceeded \$1 million (p. 8).

### Networks

**MORE FILM ON NETWORKS** in prime time next season. NBC plans only 9½ hours of live & tape, ABC 5 hours, CBS 7½ hours (p. 6).

### Programming

**TV's ALL-STAR GAME**—searching for big names for specials—proceeds at unprecedented rate. Specials also drawing heavily on production, direction & writing talent (p. 9).

### Film & Tape

**FILM PRODUCERS OBEY CODE**, except for small minority, says new NAB Hollywood executive, named to advise film makers on code problems (p. 12).

**TV's MOVIE APPETITE** is enormous, survey by NTA reveals, with most stations screening anywhere from 6 to 10 features weekly. A few run as many as 45 movie shows (p. 12).

**SYNDICATION MARKET SOFTENS** in 7-station L.A. Buyers complain prices are too high for potential returns (p. 13).

### Manufacturing & Distribution

**INDUSTRY ON 'MADE IN JAPAN' FENCE**, debating whether to import or not to import. Our survey of 10 industry leaders finds indecision, confusion, concern (pp. 15 & 17).

**MOTOROLA STRESSES STEREO** with 3-channel line, single-cabinet units; eschews TV gimmicks, promises transistor set soon; 23-in. under test (p. 16).

### FCC

**FCC HEARS AGENCY SIDE** of program-selection process at N.Y. hearings, agency men admitting that networks are in primary program control this fall because of tight time situation (p. 2).

**FCC's TV TASTES ARE CONVENTIONAL**, though members apologize for "not watching enough." They like sports, news, Westerns, whodunits and "anything well done" (p. 4).

**RERUN TRIAL FOR MACK & WHITESIDE** promised by Govt. after jurors in Miami Ch. 10 conspiracy case split on verdict. Only one reported for acquittal (p. 5).

### Finance

**FORTUNE'S 500 INDUSTRIAL GIANTS** include 34 in electronics fields, led by GE, Western Electric, Westinghouse. Table lists vital statistics of top electronics firm (p. 18).

### Stations

**STEREOCASTING SCORE TODAY:** FCC rescinds permission for broadcast-hour FM tests. All 3 networks and WBC testing AM systems. Dispute over AM-FM technique (p. 3).

**FEW CAPTIVE AUDIENCES** remain, as 'one-station areas' disappear from U.S. scene. Nielsen survey shows 2% of nation's TV homes don't have multi-station choice (p. 7).

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**BROADCAST EDITORIALS ABOUT EQUAL TIME?** It's a curious thing—the telecasters' battle for easing of Sec. 315 political equal-time burdens. Here they are, on one hand, with an unprecedented degree of editorial support from newspapers. Yet, on the other hand, their own facilities for broadcast editorializing on the subject are notably mum.

Amendment of Sec. 315 is really touch-&-go this session of Congress. Next session, there may be no Lar Daly to provide a perfect peg for another campaign and another stimulus for newspaper support—and broadcasters would be forced to wage a more lonesome battle.

NAB has been a vigorous advocate of both broadcast editorializing in general and of amendment of Sec. 315—but it has yet to put the two together, being too preoccupied, perhaps, with Preparation H and the industry's "image."

It couldn't be that networks and stations are concerned over the obligation to give Lar Daly and his ilk an opportunity to answer their editorials on equal time. Daly's past performance certainly doesn't establish him as a formidable opponent. It couldn't be, either, that broadcasters are afraid of offending the FCC majority which supported Lar Daly. Commission has encouraged controversial presentations, so long as the opposition gets a fair chance for rebuttal.

Furthermore, broadcasters are in much better position to editorialize on equal time than on, say, pay TV, because "public interest" aspect is easier to demonstrate. There would be fewer cries of "self interest."

Congressional reluctance to provide full relief from Lar Daly ruling was demonstrated last week by House Commerce communications subcommittee chaired by Rep. Harris (D-Ark.). Following 3-day hearings on issue (Vol. 15:27), subcommittee met in closed session, wrangled all day over language of proposed Communication Act amendments, finally recommended stripped-down version of bill (HR-7985) sponsored by Harris himself.

Equal-time exemptions in rewritten Harris bill would be limited to appearances by political candidates "on any newscast (including news interviews) or on-the-spot coverage of newsworthy events." As first written, Harris measure also excluded debates, news documentaries, panel discussions "or similar type programs" from equal-time requirements. Senate Commerce communications subcommittee headed by Sen. Pastore (D-R.I.), which conducted 5-day hearings on subject (Vol. 15:26), hasn't acted yet on legislation. And it will take big push to get any Sec. 315 amendments to floor of House or Senate for vote before adjournment of this session.

**STATION-CATV BATTLE—MORE OF SAME:** "Some curative action is mandatory & imperative." That was stern word from Chairman Pastore (D-R.I.) of Senate Commerce communications subcommittee last week—midway in station-vs.-CATV phase of hearings on bills to regulate community antenna systems and boosters (see summary on p. 7).

Irate TV station operators already had told him enough about allegedly ruinous competition from unregulated CATV operators to make clear the need for new legislation, said Pastore. In fact, he had heard so much about CATV "program pirates" since hearings opened week earlier (Vol. 15:27) that Pastore complained station testimony had reached point of "redundancy."

But just what rules for auxiliary TV services will be recommended by Pastore's subcommittee was no clearer at end of second week of proceedings. At one point Pastore said it might be good idea to split up the omnibus regulatory bill (S-1886) by Sens. Moss (D-Utah) & Murray (D-Mont.), which was generally supported—as starter—by station witnesses. One part could take care of CATV; the other, less-controversial booster controls, he said. But Pastore didn't pursue point.

Thorough going-over of CATV witnesses when their turn on stand comes this week was promised by Pastore, in any event. Referring to their defense against station complaints that they put local TV service out of business—or constantly threaten to do so—Pastore said: "They'll be asked. They'd better be prepared to give the answer, too."

**FCC HEARS AGENCY SIDE:** Networks are in driver's seat this season when it comes to program control in all key fields—buying, approving, scheduling, pre-empting for specials—but major agencies are only mildly alarmed and feel they can live with situation. In most cases, they get along fine with the TV networks.

That's key impression we got from FCC hearings on TV program-selection process in N.Y. last week, featuring most of Madison Avenue's top TV-radio agency brass.

There were no explosions, no startling facts brought to light by FCC broadcast bureau chief counsel Ashbrook P. Bryant and chief hearing examiner James D. Cunningham who presided. Much of what was covered was elementary ("It's 'TV basics, 1-A,'" scoffed a network observer to us) in network-agency relationships. However, some useful benchmarks for FCC study emerged:

(1) Network control varies with unsold time. C. Terence Clyne, senior TV-radio v.p. for McCann-Erickson, made this point on first day (July 7) of hearings. During 1958 recession, he indicated, it was easier to bring outside shows to the network. Today, with time tight, it's tough "unless the network is enthused" about a show.

(2) Agencies have little to do with public affairs TV, apart from buying such shows for clients interested in reaching "specialized audience," all agreed. Such a program area, admen said, was best left to networks. However, Cunningham & Walsh chairman John P. Cunningham dissented as a minority of one, continuing his crusade for more Madison Ave. participation in public affairs & educational programming.

(3) Overcrowding of network specials is apparent, with regularly scheduled shows increasingly being bumped to create one-shot space on a "take-it-or-leave-it basis"—as J. Walter Thompson TV-radio v.p. Dan Seymour phrased it.

(4) Agencies take pride in exercising limited program control, usually after they've bought a show for a client. Most agency men (particularly Benton & Bowles' exec. TV-radio v.p. Thomas J. McDermott, soon to join Four Star Productions) cited examples of "creative contribution" in improving format, scripts, guest-star policies, and in mildly censoring shows that might offend clients & audiences.

(5) Networks are strengthening "magazine concept" selling, a pet project of Pat Weaver when he was pres. of NBC-TV, with most agencies approving. Virtually all agency men confirmed these trends: (a) Client buys as few as 6 or 7 alternating positions in 13-week run on network-sold shows. (b) Networks purchase from producers of 60-min. shows (like ABC-TV's "77 Sunset Strip" and "The Alaskans" or NBC-TV's "Riverboat") and resell on a minute participation or segment (20 min., alt. wk.) basis. (c) Networks purchase shows from agencies when the agencies can deliver only an alternate client.

Do networks link time sales to program sales? No firm conclusion, it seemed, was reached either way at N.Y. hearings, with agency men—contrary to some expectation—generally ducking the issue.

Entire session was broadcast by N.Y. city-owned radio WNYC and drew top ratings on Madison Ave., judging from the number of portable radios carried on the train from Westport. Next hearings in FCC's network probe will be special session July 21 called by Examiner Cunningham to look into conditions surrounding discontinuance of "Voice of Firestone." Witness list comprises 3 Firestone executives and "Voice" musical dir. Howard Barlow.

**THE STEREOCASTING SCORE TODAY:** FCC is cracking down on experimental authorizations to test stereo systems during broadcast hours. It has received little useful information, and it sniffs possible abuses—so it is rescinding or refusing to extend virtually all such permits.

The discontinued authorizations were all for FM multiplex tests. There was question in mind of FCC whether stations and equipment makers were commercializing on these tests—some types of stereo multiplex converters being available on the market. FCC officials say reports and information submitted by these stations were meager "and didn't show anything we didn't already know."

Experimental single-station stereocasting is still going on—but in non-broadcast hours. New York is hotbed of AM stereo tests, with 3 network flagships authorized to transmit special stereo systems in wee small hours. WABC, WCBS & WRCA are testing basically similar systems, employing frequency-modulated stereo information impressed on AM carrier. WCBS is using new CBS system which works on this principle, WRCA the RCA system (Vol. 15:10). In Pittsburgh, WBC's KDKA is testing Westinghouse AM system. Only completely different AM stereo system is Kahn Research Labs' sideband method, for which Detroit's WJR has asked test authorization.

In FM, another major system has cropped up—proposed by Zenith. It's currently being tested on Zenith's WEFM Chicago. No details are available. Interest in stereophonic TV systems—at least for the moment—is dwindling toward the vanishing point.

NSRC, now concentrating on FM systems in hopes of meeting FCC's Dec. 11 deadline for filing comments, will convene its important system-specifications panel Aug. 5 for what may be its crucial meeting.

There's plenty of stereo on the air—the non-experimental 2-station kind (mostly AM-FM). And there's considerable debate whether this "makeshift stereo" is a boon or a destructive influence. Almost every AM-FM station combination has at least dabbled in this 2-station stereo approach, and availability of wide choice of stereo discs & tapes as program material is making it more popular.

Majority of package stereo-hi-fi manufacturers have turned thumbs down on this stereocasting system by refusing to offer stereo AM-FM tuners in their 1960 phono combinations—although more lines are featuring them this year than last. (AM-FM stereo tuner is one which will receive both AM & FM stations simultaneously, as opposed to conventional AM-FM tuners which can tune either AM or FM at any time, but not at same time.)

Set makers who ignore AM-FM stereo argue this way: Within year or so, FCC will authorize single-station multiplex system, completely obsoleting 2-station stereo. Frequency response and noise level of AM

& FM stations are so poorly matched that resulting stereo effect is bad. "We have a jack on our set for future multiplex input," these manufacturers argue, "so we're prepared for true stereo broadcasting."

Obvious disadvantage of present AM-FM system is its incompatibility. Since most listeners still hear program monaurally—either on AM or FM alone—they only hear one "track" of the 2-track stereo. Nevertheless, stations which are sold on AM-FM approach minimize this obstacle. N.Y. Times' WQXR, which has been broadcasting AM-FM stereo for 6 years, says this hasn't turned out to be problem. Chief engineer Louis J. Kleinklaus explains that all tapes & discs are auditioned first to make sure that both AM & FM portions will have relatively balanced sound—no long pauses or strange effects—and recordings which don't meet this standard are rejected.

There's one "compatible" 2-station stereo system—which requires no FCC permission. It's Bell Labs' time-delay technique, which, through "precedence effect" phenomenon, gives listener the illusion of direction of sound even though both sound channels actually come from both stations (Vol. 15:9). Thus, monaural listeners hear "complete" sound monaurally, while stereo listeners hear it stereophonically.

Western Electric is now ready to license users of this system. It doesn't sell the equipment, however, which must be purchased elsewhere for \$3000-\$4000. So far, only regular users are KFJZ & KFJZ-FM Fort Worth, full-time stations which broadcast compatible stereo from 3 p.m. to signoff. NBC has used it experimentally in TV-radio and in FM-AM simulcasts, and WQXR tried it out a couple of weeks ago—but the latter said listener response was so slight it has no intention of buying equipment for system.

Common complaint of stations now broadcasting stereo is that no manufacturer is offering studio equipment designed for stereo. Although same basic 2-channel studio & audio gear is required for all kinds of stereocasting, none is available commercially, and all equipment now in use—some of it quite elaborate, as at WQXR—is of home-built haywired variety.

Public's rapid acceptance of stereo hi-fi systems and phonos (see Trade Reports) underscores need for early action to standardize on companion stereo radio service. Phono manufacturers' 1960 lines (which include hardly any monaural models)—and their promotion plans—make it clear that they expect major stereo boom this fall. With dual stereo amplifiers & speakers in fast-increasing number of U.S. homes, big new equipment market and radio audience is waiting—waiting to be told what kind of tuner or converter to drop into the console, to bring radio listening back into the livingroom.

**FCC'S TV TASTES ARE LIKE EVERYONE ELSE'S:** FCC Commissioners are quite "normal" in their viewing tastes, we found in a recent check of their preferences. And, like many TV industry professionals, they believe that they ought to watch more than they do. Here's rundown on preferences:

Chairman John C. Doerfer—"Sports, of course. And a good historical drama, particularly about the Civil War, [he's quite a Civil War buff]. I like news in depth, the documentaries. And I go for a good whodunit—but not those short ones."

Comr. Rosel H. Hyde—"A good drama—and that's just about it."

Comr. Robert T. Bartley—"News & sports. Oh, I watch some other programs, but news & sports are my real preferences."

Comr. Robert E. Lee—"I'm not very eggheady, I guess, because I like the Westerns. I go for some panel discussions on Sunday. A good movie is fine. I also try to catch the golf shows."

Comr. T. A. M. Craven—"Sports and whodunits. I'll tell you what I don't like—opera and discussion programs with a bunch of longhairs all talking at the same time about something they don't know anything about, talking down to the rest of us. I like 'Meet the Press' sometimes."

Comr. Frederick W. Ford—"Sports, the Westerns. I read all the Zane Grey and Hopalong Cassidy books, saw all the movies, and now I watch the Westerns. I like anything Leonard Bernstein does. I thought 'Hamlet' was excellent. I like 'What's My Line,' '77 Sunset Strip' and the 'Jack Paar Show' occasionally. Matter of fact, I go for any program that's well done."

Comr. John S. Cross—"I'm easy to get along with. I like a lot of programs—sports, 'The Late Show,' spectaculars once in a while—and I'm an old fan of 'What's My Line'."

## Congress

**New Agency Probe Set:** Long-awaited hearings by a Senate Judiciary subcommittee on administrative practices and procedures of FCC and other federal regulatory agencies, pending since Feb. (Vol. 15:7-8, 10), finally get under way next week. Chairman Carroll (D-Colo.) has scheduled July 21-23 sessions in Room 2228 of the new Senate Office Building—and opening proceedings may run through July 24. The initial witness list had not been drawn up last week, but testimony on how the Administrative Procedures Act of 1946 is working out is expected from legal experts.

The Carroll subcommittee has \$115,000 to spend this year on investigations which could spread ultimately into FCC areas touched by last year's sensational House Commerce legislative oversight subcommittee probes. In addition to Carroll, members are Sens. Hart (D-Mich.) & Dirksen (R-Ill.), the minority leader. Chief counsel is Judge Joseph P. McDonald of Denver. Minority counsel is Cornelius Kennedy of Chicago.

"We're not going into the FCC or any specific agency in the opening phase," Carroll told us last week. "But there's no telling what it may lead into. This is a permanent subcommittee and the agencies might as well know it now. We'll be breathing down their necks for a long time."

Movie price fixing by major studios in violation of the Govt.'s 1948 Paramount anti-trust decree divorcing producers from theater operations was alleged last week by Sen. Langer (R-N. D.). In a floor speech, he demanded that the Justice Dept. do more to enforce the decree—or that the Senate Judiciary anti-trust subcommittee headed by Sen. Kefauver (D-Tenn.) "take effective action." Langer cited complaints by the Independent Motion Picture Theater Owners against such producers as Paramount, 20th Century-Fox, Warner Bros., Loew's, RKO, Columbia, United Artists & Universal. Among the charges: (1) The public is "compelled to pay abnormally high & uniform admission prices, dictated by the film companies, in order to see choice motion pictures." (2) Independent movie houses are forced to give "second-rate theater service" by their inability to get "better pictures" on a first-run basis. (3) Continued operation of "thousands" of small theaters is endangered.

Approval of 2 international AM treaties by the Senate was earnestly sought by the majority of witnesses testifying before the Senate Foreign Relations Committee last week. The North American regional broadcasting agreement has been pending since Nov. 15, 1950, the U.S.-Mexican agreement since Jan. 29, 1957. Those favoring ratification warned that American AM service will deteriorate unless approval is voted. Plumping for ratification were: W. T. M. Beale Jr., Deputy Asst. Secy. of State; FCC Comrs. Hyde & Cross; John H. Dewitt Jr., Clear Channel Bcstg. Service (CCBS); Hollis M. Seavey, ex-CCBS; Elliott M. Sanger, WQXR, N.Y.; attorneys Andrew G. Haley and Glenn A. Wilkinson. Opposing were J. R. Livesay, WLBH Mattoon, Ill. representing Daytime Bcstrs. Assn., and Rep. Shipley (D-Ill.), who has a bill pending to extend the operating hours of daytime stations.

Malicious damage to any communications facilities—including radio—which are "used or useful in the military or civilian defense functions of the U.S." would be subject to federal criminal law under a bill (HR-8138) by Rep. Dowdy (D-Tex.). Existing federal law covers govt.-owned or operated facilities, but doesn't protect commercial systems used by the Defense Dept.

## The FCC

**RERUN TRIAL FOR MACK:** Ex-FCC Comr. Richard A. Mack, tried for 12 weeks on govt. charges that he and co-defendant Thurman A. Whiteside conspired to throw Miami Ch. 10 to National Airlines' WPST-TV (Vol. 15:15-27), will have to go through it all over again.

The long and sometimes almost riotous proceedings in Judge Burnita S. Matthews' U.S. District Court in Washington ended July 10 in a hung jury, split 11-1—for conviction, according to one member of the panel. Prosecutor J. Frank Cunningham announced a new trial.

Said jury foreman Robert E. Burner in his report to Judge Matthews on its off-&-on deliberations, interrupted when one juror required hospitalization soon after the case was received July 1: "Eleven members of the jury have agreed on a verdict. These 11 believe that the stand of the remaining member is not consistent with reason and have not been able to change the stand of that person by arguments or persuasion." Mack & Whiteside just shook hands.

Judge Matthews, who had pleaded with the jury a day earlier to come to an agreement, dismissed it with thanks, then turned to Mack's counsel Nicholas J. Chase to administer a tongue-lashing. She said he had been "rude, disrespectful & disobedient" during the marathon trial, in which defense lawyers challenged her rulings and demanded mistrials every step of the way until the end.

Chase said later: "I am sorry that Judge Matthews said what she did. My views of the traditions of my profession interdict further comment from me." Mack's only comment was: "I am very proud of my lawyer. I am going back to Florida and try to recover my health." Mack & Whiteside are at liberty under \$1000 bonds.

At one point in legal wrangling, after juror Joseph R. Carroll became ill, it was agreed by opposing counsel that the case would be retried on the Miami home grounds of Mack & Whiteside in the event of a mistrial. But Chase subsequently withdrew his agreement, protesting that Judge Matthews had failed to tell him she had received one of several queries from the jury.

**Commissioners' Vacations:** As it has for several years, FCC takes off for the month of August for the convenience of its staff and industry representatives. Here's what Commissioners themselves plan to do: Chairman Doerfer—"Sleep. Seriously, it really depends on Congress. I'll stick around if they're still in session and want to call me up for hearings. However, I'd certainly like to get away for 3 weeks. Comr. Hyde—"Visit my family and my wife's family back in Idaho." Comr. Bartley—"Stay in town. Can't afford otherwise; got 2 boys in college." Comr. Lee—"I'll be on the job. I agreed to hold the fort." Comr. Craven—Leaves Aug. 1 to head U.S. delegation to International Telecommunication Union conference in Geneva. Comr. Ford—"No plans." Comr. Cross—"Back in Eureka Springs, Ark. again, helping my wife run the motel."

Six applications for new TV stations were filed with the FCC last week: For Ft. Smith, Ark., Ch. 22, by a local group of businessmen headed by James R. Jorden; for Alpena, Mich., Ch. 9, by WKNX-TV Saginaw; for San Angelo, Tex., Ch. 3, by appliance dealer E. C. Gunter; for Grand Island, Neb., Ch. 11, and Reno, Nev., Ch. 4, both by Electron Corp. (subsidiary of Ling-Altec Electronics) of Dallas, which is also an applicant for Douglas, Ariz.; for Reno, Ch. 4, by attorney Edward I. Cutler & real estate man Robert Wasdon. TV applications pending: 114 (15 uhf).

## Networks

**LESS LIVE TV:** There will be a continued increase in the amount of prime-time film programming on all 3 networks next season. Of the non-film programs, no breakdown is available between live & tape shows.

NBC's schedule for next season shows 14½ hours of telefilm programming and 9½ hours of live & tape each week in the prime time slots. This compares with 11½ hours of film and 10½ live & tape last season—a decrease in live shows despite NBC's scheduled 3 hours of specials each week next season.

ABC's schedule will have 19½ hours of telefilms each week, with only 5 hours of live & tape. This gives ABC about 95% telefilm programming, as against 90% last season, and fulfills its reputation as the "film network." ABC will have a few sporadic live or taped specials, including 2 with Bing Crosby and 4 with Frank Sinatra.

CBS will have 16½ hours of film and 7½ live & tape each week in prime time, compared with 16 film and 8½ live-tape the past season. However, this picture may change before the new season begins, because of a few shaky summer entries.

**MBS Payment Offer:** Mutual Bestg. has offered creditors 10¢ on the dollar in settlement of debts accrued prior to June 30, when a petition under Chapter XI of the Bankruptcy Act was filed by the network (Vol. 15:27). The offer was made at an informal meeting of creditors called in N.Y. July 9. MBS set a 30-day deadline on the proposal. An official offer will be made at a later creditor's meeting to be called by referee Asa Herzog July 13.

Mutual's creditors (numbering 750) have appointed a 15-man committee to consider the offer, headed by Fulton Lewis Jr., to whom MBS owes \$47,000. UPI made an informal poll of creditors after the N.Y. meeting. Consensus: The creditors will accept the 10¢ offer.

**CBC Loses on Ads:** Canadian taxpayers continue to pay to view sponsored TV shows, it was disclosed last week during the inquiry (Vol. 15:26) by a Parliamentary committee looking into the policies, operation and costs of the publicly owned CBC. The probe was triggered by the mass resignations of 37 key CBC staffers who implied political interference with the free expression of ideas.

Figures given by CBC officials revealed that advertisers on most TV shows still pay only a fraction of the cost of production, with the public treasury making up the difference (Vol. 13:39 & 14:29). Of 102 TV broadcasts in 2 weeks of March, only 17 produced profit for CBC. Example: The network paid \$30,132 to produce *Cross-Canada Hit Parade* but got only \$9,678 from sponsors Imperial Tobacco & Texaco Co. The Canadian public footed the bill for the \$20,454 deficit.

Agreement on pooled coverage of the 1960 Democratic national convention in Los Angeles was reached at a meeting of the 3 networks in Los Angeles last week. J. Leonard Reinsch (Cox stations), managing dir. of the conclave for the Democratic Party, was in charge of the meeting, attended by CBS v.p. Sig Mickelson, NBC v.p. Bill McAndrew and ABC special events dir. Don Coe. Biltmore Hotel's fourth floor was designated as administrative headquarters for the TV & radio networks.

## NETWORK SALES ACTIVITY

NBC's announcement of \$5.2 million gross sales on *Today* and *The Jack Paar Show* (see below) for the 2nd quarter came simultaneously with a network claim of a 6.5 million nightly viewing audience average for the Paar show, based on Nielsen figures. Paar, now seen on a 135-station lineup, had an audience of about 3 million in 1957. Network sales otherwise were light last week, confined mainly to buying of specials.

### ABC-TV

Colt .45, Cheyenne & Sugarfoot, summer sponsorship starting July 14.

*Procter & Gamble* (Benton & Bowles).

The Alaskans, Adventures in Paradise, The Untouchables, Bronco and American Bandstand. Partics. in all 5 starting in fall.

*Luden's* (J. M. Mathes).

Take a Good Look (Thurs., 10:30-11 P.M.). New panel show produced by Irving Mansfield & Peter Arnell, debuts Oct. 15. Ernie Kovacs will be m.c. *Consolidated Cigar Sales Co.* (Erwin Wasey, Ruthrauff & Ryan).

Saturday Night Pro Football, 7 weekly games starting Aug. 22 at 10 P.M., live & tape.

*General Mills* (Knox Reeves), *Hamm Brewing* (Campbell-Mithun) in West only; *Natl. Brewing Co.* (W. B. Doner), East only.

Tournament of Roses Parade Jan. 1, 1960.

*Quaker Oats* (Lynn Baker).

### CBS-TV

Hemingway Specials, four 90-min. programs, to be adapted from Hemingway stories by A. E. Hotchner. Producer, Gordon Duff. Times & days not set. *Buick* (McCann-Erickson).

News Specials, eight 60-min. prime-time programs next season, times & days not set. Co-sponsorship with Bell & Howell.

*B. F. Goodrich* (BBDO).

### NBC-TV

People Are Funny moving to new time next season (Fri., 7:30-8 p.m.).

*Greyhound* (Grey) and *Bulova* (McCann-Erickson).

Tournament of Roses Parade, from Pasadena, Jan. 1, 1960, (11:30 a.m.-1:45 p.m.). Sponsor's order is for 6th consecutive year.

*Minute Maid Corp.* (Bates).

Today and Jack Paar Show 2nd-quarter 1959 orders not previously announced, involving 18 renewals and 28 new orders for partics. totaling a gross of \$5.2 million.

Renewals: *Regimen Tablets*, 66 partics. (Kastor, Hilton, Chesley & Clifford Inc.); *Alberto-Culver*, 65 partics. (Wade); *Grove Labs*, 52 partics. (Gardner); *Bristol-Myers*, 39 partics. (Young & Rubicam) New orders: *Bayuk Cigar*, 78 partics. (Werman & Schorr); *American Petroleum Inst.*, 30 partics. (Sullivan, Stauffer, Colwell & Bayles).

Modernization of ABC-TV's Stage E in Hollywood, is scheduled for completion before July 15, engineering v.p. Frank Marx announced July 7. All network West Coast specials next fall will originate from the remodeled stage. The Austin Co. is the engineer-building firm.

James Arness, Marshal Matt Dillon of CBS-TV's consistently high-rated *Gunsmoke*, has signed a new long-term contract with the network whereby he'll have his own production company to produce the series in association with CBS-TV. Arness will continue to portray Dillon.

## Stations

**Few Captive Audiences:** The "one-station home" has virtually disappeared from the American TV scene, Nielsen reports in a special study of the degree of choice between stations that can be made by the country's 44.5 million TV homes.

Ten years ago, says Nielsen, "almost half of the homes then equipped with TV sets could receive one station, and only one." By 1952, the percentage of one-station homes had dropped to 32%. In late 1958, the figure had dropped to a mere 2%. At the same time, the percentage of homes that can receive 4 or more stations has gone up to 81%. Here are the figures, shortened by Nielsen to an every-other-year basis:

### Increase in TV Station Choice

	'52	'54	'56	'58
U.S. Stations in operation..	109	357	428	481
Homes Able To Receive:				
4 or more stations .....	31%	61%	77%	81%
2 to 3 stations.....	37	30	19	17
Only one station .....	32	9	4	2

**Resale of radio WKNB** New Britain-Hartford for \$255,000 by new owner Connecticut TV Inc. (Vol. 15:26) was accomplished last week. Buyers are Sheldon I. Smerling, N.J. theater concessionaire and owner of WICO Salisbury, Md., and his family. The station was bought by Connecticut TV as part of a package deal when NBC sold WNBC (Ch. 30) to uhf pioneers WICS (Ch. 20) Springfield, Ill. and WWLP (Ch. 22) Springfield, Mass. for \$1,044,000.

**Sale of 52% of WDMJ-TV** (Ch. 6) Marquette, Mich. and proposed satellite WIRN (Ch. 12) Wakefield, Mich. by Frank J. Russell to Morgan Murphy interests for approximately \$102,000 in obligations plus a \$160,000 loan (Vol. 15:24) was approved by the FCC last week.

**Purchase of radio KOBV** San Francisco for \$1.75 million by KCOP (Ch. 13) Los Angeles owners Kenyon Brown & Associates from David Segal was announced last week. Buyers also are in NAFI group acquiring KPTV (Ch. 12) Portland, Ore. (Vol. 15:23). In addition, Segal is disposing of KOSI Denver, selling it to ex-Balaban Corp. broadcasting v.p. Bill Armstrong for \$387,000. The San Francisco station was bought by Segal for \$467,500 from S. A. Cisler 3 years ago.

**Rep. George Bolling** and his son are buying 52½% of KRNO San Bernardino, Cal. for \$240,000 from Western Empire Bestrs. Inc. Jack C. Vaughn and Cecil L. Trigg, who control KVII (Ch. 7) Amarillo and KOSA-TV (Ch. 7) Odessa, Tex., will acquire 23¾% each.

**Demise of NAB's TV Quarterly** because of "impending changes in the TV information program" was announced recently by NAB PR mgr. John M. Couric, who explained: "We are discontinuing publication because we do not want to duplicate efforts in the important endeavor of acquainting the public with TV's worthwhile contributions to American life."

**Associated Press** is making available to broadcast news wire members & subscribers a new operations timetable, in color (for desk or bulletin board), which schedules the movement of world & regional news summaries, sports weather, and special features on AP's broadcast wire.

**Assn. of Maximum Service Telecasters** adds 2 members—WIS-TV Columbia, S.C. & WSOC-TV Charlotte, N.C.

## Auxiliary Services

### More about

**CATV 'PROGRAM PIRATES':** Big CATV guns will be lined up in Room 5110 of the new Senate Office Building this week to fire back at station operators who have charged community antenna systems with destroying—or at the very least competing unfairly with—local TV service (see p. 2.)

Nearly a score of CATV operators & supporters from across the country are listed by Senate Commerce communications subcommittee Chairman Pastore (D-R.I.) as witnesses July 14-15 at hearings on 5 bills to place CATV & boosters under FCC regulation—hearings which for 2 weeks have resounded with station complaints (Vol. 15:27). FCC itself will testify at a windup session July 16.

Typical of station complainants last week was v.p.-gen. mgr. G. David Gentling of NBC-affiliated KROC-TV (Ch. 10) Rochester, Minn. He said Rochester Video Inc., locally-franchised CATV system, hasn't yet carried out threats to bring in NBC programs from St. Paul. But if that happens, KROC-TV "will be seriously injured."

"Such one-sided competition between unregulated program pirates and regulated local TV stations will certainly mean the demise of local free TV in most of the smaller communities of the country," Gentling said. He endorsed an omnibus bill (S-1886) by Sens. Moss (D-Utah) & Murray (D-Mont.) as "designed [to] eliminate the opportunity for unfair competitive practices."

Among other things, the Moss-Murray measure would forbid FCC to permit CATV operations which would "adversely affect" creation or continuation of locally-originated TV service.

Marshaled by such CATV champions as ex-Sen. McFarland (D-Ariz.), former Commerce Committee chairman, and National Community TV Assn. (NCTA) gen. counsel E. Stratford Smith, the CATV witnesses will open up their defense & counter-attack after Pastore's subcommittee hears this week's lead-off witnesses. They are Sen. Aiken (R-Vt.) & NAB pres. Harold E. Fellows, both scheduled for July 14.

Among last week's witnesses:

**Barclay Craighead**, mgr. of off-air KXLJ-TV (Ch. 12) Helena, Mont., lashed out at the Helena CATV system and FCC for his troubles. KXLJ-TV went on air in Jan. 1958, went dark in Feb. 1959 in a losing Court of Appeals dispute with FCC and the community operators who—as a last straw for Craighead—got Spokane signals via microwave.

"The Commission," said Craighead, "appears to take delight in throwing competition against a small-town free TV station." FCC Chairman Doerfer, in particular, "has become the defender & apologist for pay cable systems," he complained. Craighead warned that unless CATV operations are brought under tight controls, local TV stations will "be smashed out of existence in very extensive areas of the country."

Edward Wheeler, Craighead's counsel, seconded the thwarted Helena station operator. He protested that CATV systems make "big money" while small stations are run out of business.

**Fred Weber**, v.p. of WBOY-TV (Ch. 12) Clarksburg, W.Va., complained about competition from his city's CATV system, which brings in programs from Pittsburgh, Wheeling & Steubenville. "The subscription system gets no permission," Weber said. "It pays no off-the-air fee. But it purloins every network program." He argued that "impossible difficulties" lie ahead for small stations if CATV

"can continue program duplication of a free station as well as rebroadcast all other programs without regulation."

Sen. Allott (R-Colo.), author of a measure (S. J. Res. 26) to legitimize boosters, endorsed CATV provisions in the Moss-Murray bill, too. He said: "Unregulated CATV presents the very real danger, especially in the area of small-town TV, of eventually curtailing if not eliminating TV service from fringe or remote areas, since it serves only the heart of the market because of the current limitations & dependence upon wire."

Testimony or statements in support of legislation to legalize & standardize boosters came from Sen. Curtis (R-Neb.), Reps. Thomson (R-Wyo.) & Berry (R-S.D.), exec. v.p. Lawrence Berger of KTWO-TV (Ch. 2) Casper, Wyo., and Richfield, Utah, city attorney Tex R. Olsen, representing the Utah TV Repeater Assn.

The CATV lineup this week:

July 14—A. J. Malin, Laconia, N.H.; Henry Griffing, Video Independent Theatres, Oklahoma City; A. Earl Cullum Jr., Dallas consulting engineer; Archer Taylor, Missoula, Mont., consulting engineer; Robert Murphy, Casper, Wyo., attorney; Glenn Flinn, Tyler, Tex.; Milton J. Shapp, Jerrold Electronics; Ben Adler, Adler Electronics.

July 15—Ex-Sen. McFarland, representing the Arizona CATV Assn.; Sanford Randolph, Clarksburg, W.Va.; Robert J. Tarlton, Lansford, Pa.; NCTA counsel Smith; Charles Clements, Waterville, Wash.; Clifton W. Collings, Ephrata, Wash.; George M. Frese, Wenatchee, Wash. consulting engineer.

Microwave serving CATV system in Helena, Mont.—Montana Microwave—which FCC had ordered to quit operating last week pending a Commission decision on a protest by KXLJ-TV Helena (Vol. 15:26), has obtained an injunction which would permit it to continue until Aug. 4. The injunction was handed down by the 9th Circuit Court of Appeals, of San Francisco. The FCC, meanwhile, turned down Montana Microwave's request that it be permitted to continue operating pending the outcome of an oral argument on the protest to be conducted by the FCC July 24. However, FCC extended the cut-off date to July 15.

Four translator CPs granted by the FCC last week: Ch. 72, 76 & 80, Texhoma, Tex. to Texhoma TV Translators; Ch. 76, Yakima, Wash. to Allied Electronics. Granted the week of June 28: Ch. 80, Frostburg, Md., to Frostburg Community TV, and Ch. 72, St. James, Minn., to Watonwan TV Improvement Assn. The Minn. grant is conditioned on any future grant of a regular TV station on Ch. 57 at any location involving mileage separations less than those required by the FCC's rules.

Small CATV system in Glendale, W. Va., Glen-Tennas, discontinued operating March 31 after running since 1952, owner Sam Shaw stating: "Too many people get 2 channels on rabbit-ears." The system has been distributing signals of KDKA-TV & WTAE Pittsburgh; WTRF-TV Wheeling, WSTV-TV Steubenville.

Wide-screen TV at Atlantic City, N.J. airport gives control-tower men a panoramic view of runways & parking areas and closeups of landing & departing aircraft. The installation uses 2 "Scanoscope" cameras (Vol. 15:10) developed by Grimson Color Inc. for its wide-screen (7-by-3 aspect ratio) TV system.

Translator start: W76AA Frostburg, Md. began tests June 22 repeating WTTG Washington.

**Rosensohn Closed-Circuit:** When heavyweight champion Ingemar Johansson and Floyd Patterson are rematched, probably the latter part of September, the closed-circuit TV of the title fight will be handled personally by promoter Bill Rosensohn, without the intermediate services of any closed-circuit company.

Rosensohn, on the West Coast for a vacation, tells us he sees no reason for having someone else do the closed-circuit, as TelePrompter did in the first Johansson-Patterson fight. "I expect to do it myself," said the promoter who has himself headed 3 closed-circuit companies (Box Office TV, Sheraton Closed-Circuit and TelePrompter's closed-circuit operation).

The promoter explains that he couldn't do this the first time because part of the agreement under which he left TelePrompter a year ago stipulated that he would not compete with that company for at least a year. Now, however, Rosensohn, who says he lost \$40,000 promoting the fight last month, expects to more than recoup that in the rematch—including particularly profits from the closed-circuit showings.

Boxoffice gross for TelePrompter closed-circuit feed of the June 26 heavyweight bout (Vol. 15:26) will be "over a million, and within 1% of our original estimate of \$1,032,000," officials of TelePrompter told us in N.Y. The receipts, lightened somewhat by a postponement of the championship bout, are less than the \$1.4 million gross on the Robinson-Basilio middleweight fight last year.

Canadian CATVs have doubled to 200 systems in 2 years, and now serve some 135,000 homes with an estimated audience of 600,000 persons, the Telephone Association of Canada was told at its recent 30th annual meeting.

## Educational Television

TV & radio will be used by Ford Foundation-financed Fund for Adult Education in a new national "Education for Public Responsibility" program. The aim is "to help public leaders to understand & generally advance the general welfare." One radio series—13 half-hour dramatizations of Alexis de Tocqueville's studies of American life—has been prepared at NYU through a Fund grant. Other TV & radio programs in 1959-60 will include interviews with "representative American figures."

ETV's first year in Kansas City is now being appraised by research experts who seek to determine the comparative academic growth of the TV classes & special "control" groups. Meanwhile, announcement has been made of next fall's TV schedule, which adds a new course—Spanish instruction. During the ETV school year, 65 public, private, & governmental agencies participated in the TV teaching by providing representatives and/or equipment.

Govt. grant to Boston U. for research on TV-teaching of science in elementary schools (Vol. 15:22) is for \$82,000, approximately half of which will be used by the Mass. Audubon Society to develop a series of natural science programs for educational WGBH-TV Cambridge. A 16-month study will be made of some 3000 children who will view the Audubon Society series.

Endorsement of Nebraska's TV-correspondence study project has been made by appraisal committee of leading state educators, who favor expansion of the ETV program on a state-wide basis. The 3-year-old TV-study program, broadcast by KUON-TV Lincoln, serves 29 high schools and currently offers 9 different class subjects.

## Programming

**TV's All-Star Game:** With a record number of specials due on TV next season. Hollywood is now the scene of an unprecedented search for big star names. Most of the bidding is by NBC, which has 3 separate series of specials; CBS wants stars for its Pontiac specials, and David Susskind, who once scorned the use of star names, has also joined in the search for his *Du Pont Show of the Month* on CBS, plus other specials he will be producing.

ABC is interested, but its first efforts to line up stars such as Danny Kaye were fruitless. As of now, ABC has Bing Crosby and Frank Sinatra set, but that's about it.

Naturally, with such a demand for important star names—especially those who haven't been on TV yet—the price is soaring. NBC last week announced Cyd Charisse would make her TV debut on a Ford special, and even before the network made its announcement Miss Charisse, via her press agent, let it be known she was receiving \$250,000 for a single show (out of which she would pay for talent, of course).

The Ford specials, committed to feature names, have already signed Ingrid Bergman and Alec Guinness. Ford tried to get Ray Bolger, but he turned the bid down, as well as an offer of a dramatic starring role in the *Hallmark Hall of Fame* vehicle on NBC. Hubbell Robinson, exec. producer of the Ford series, has also signed Charles Laughton, Tony Curtis & Leslie Caron.

The scouts are also after names such as Marilyn Monroe, Marlon Brando and Gregory Peck, but at this point it's a moot question as to whether they will get them. Trouble is, these stars are in such demand for movies, they don't really have the time for TV.

**North-vs.-South on TV:** On the eve of its centennial, the Civil War is slowly growing in prominence as a network program theme. NBC-TV announced plans July 8 for a weekly hour-long series titled *The Blue & the Gray*, for 1960-61, to feature dramas based on Civil War narratives of Dr. Henry Steele Commager, whose 2-volume compilation of over 450 narratives (also titled "The Blue & the Gray") was published in 1950. Commager will act as consultant on the filmed series. CBS, whose TV plans for Civil War programming were announced earlier this year, will present a weekly half-hour series next year dealing mainly with the generals on both sides. It will be produced by CBS in collaboration with "American Heritage" magazine and its editor Bruce Catton. ABC-TV will produce a series of Civil War specials in association with Warner Bros.

**Wintry chill** has settled on ABC-TV's plans to telecast pickups from Squaw Valley, Cal. of the upcoming Winter Olympics, and any deals between ABC and the Olympic Committee are definitely off. Network officials admit to us privately that they understood their winter sports deal gave them a first-refusal on the Summer Olympics next year, but learned later that CBS-TV had quietly sewn up the show. Who will get the winter series hasn't been decided, although presumably it will be CBS.

**Newest post-season football game**, the "Liberty Bowl" to be staged Dec. 19 at Philadelphia's Municipal Stadium between the top Eastern team & an invitation opponent, has been signed by NBC-TV under a 5-year contract for TV & radio rights. Lindsey Nelson & Red Grange have been signed as commentators for the new event, first major college football bowl game ever to be played in the east under NCAA sanction.

**New 'Special' Faces:** The barrage of network specials in the forthcoming season is creating new production employment for a growing list of names not hitherto associated with the creation of big-budget one-shots. Last week, Abe Burrows, co-author and dir. of Broadway's "Guys & Dolls" and "Can-Can"—who has been relatively inactive in TV recently—was signed to join Goodman Ace's staff to work on the 20 Revlon-sponsored specials for CBS-TV.

Robert Saudek, best known as the producer of *Omnibus*, is scheduled to produce a 60-min. "intimate revue" special for the 8-show Pontiac series on NBC-TV, and actor-dancer Gene Kelly will turn producer for another special for the same sponsor. Irving Gitlin, new special projects exec. of CBS News and active heretofore primarily in the documentary field, will produce 6 general-appeal public affairs specials for CBS-TV, due to be co-sponsored by Bell & Howell. Dore Schary, ex-production boss of MGM, will produce at least one special for NBC-TV's *Sunday Showcase* series, and writer Robert Alan Aurthur will be exec. producer of the same series.

Live telecast by CBS' WBBM-TV of the mayor's dinner for Queen Elizabeth elicited heated comments from its competitors in Chicago last week. WBBM-TV was attacked for televising the dinner as "exclusive news," in violation of agreement to pool all coverage. Earl Bush, Mayor Daley's PR dir., said he had contracted with WBBM-TV for a closed-circuit telecast to an adjoining ballroom but didn't know about the broadcast. WBBM-TV public affairs dir. Harriet Atlass stated Bush wasn't notified of the proposed telecast but that he hadn't said that the station couldn't air the show. WBKB's Sterling Quinlan said his station will never again participate in a pooled handling of public events, called WBBM-TV's action "unfair, irresponsible and unethical." WNBQ's Lloyd Yoder called the incident "a devious thing to do and a breach of faith." WGN-TV's Ward Quaal said the telecast was "subterfuge" and "I regard this definitely as a breach of good faith."

RCA may step aside as co-sponsor of the 90-min. pre-taped "Moon & Sixpence" drama special which the NBC-TV parent had signed for after an on-again, off-again romance between NBC & Ford Motor Co. The show (talent costs reputedly close to \$370,000) was sold originally by David Susskind to NBC, and was pitched early in the game as a possible kick-off to the lineup of Ford specials on NBC. But Ford cooled and RCA bought half the show (see "Network Activity," Vol. 15:26). Now, Ford has warmed up again on the project, possibly because of Hubbell Robinson's influence, NBC admits, and is talking of a full-sponsorship buy. Ford's not likely to meet stiff opposition.

**Benefit improvements in AFTRA's Pension & Welfare Fund** contracts were announced last week. Effective June 1, 1959, the life insurance benefit for eligible performers and the accidental death, dismemberment and loss of sight insurance were increased from \$4000 to \$4500. The major medical expense benefit has been extended to cover, with no age limit, physically and mentally handicapped children incapable of self-support, who are wholly dependent on an eligible performer.

**TV's top program tribute** to a performing act—a custom-tailored network special—will be accorded Nov. 21 to Mike Nichols & Elaine May, who will write & star in an 8:30-9:30 p.m. one-shot for Pontiac, one of a series of 8 specials sponsored by the motor firm in a \$4 million, colorcast series on NBC-TV. Other specials in the series will include an overseas-taped (in Denmark) show with Victor Borge and 3 produced by Gene Kelly.

## Television Digest

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**Personals:** Robert F. Davis promoted from CBS-TV Spot Sales research dir. to research dir. for CBS-TV stations div.; W. Thomas Dawson, TV Spot Sales sales promotion dir., adds duties of research dir. . . . Ralph Dawson promoted from sales dir. to national sales mgr. of WXYZ-TV Detroit . . . James Arthur Yergin, ex-research promotion & adv. dir., WOR-TV & WOR N.Y., named asst. dir. of research, Westinghouse Bcstg. Co., succeeding David Smith, who becomes research dir., AM Radio Sales Corp. (WBC radio rep).

Leslie H. Peard Jr., ex-WBAL-TV & WBAL v.p.-mgr., appointed regional sales development dir., Triangle Stations (WFIL-TV & WFIL Philadelphia, WNBF-TV & WNBF Binghamton, N.Y., WFBG-TV & WFBG Altoona, Pa., WNHC-TV & WNHC Hartford-New Haven, WLYH-TV Lebanon, Pa., KFRE-TV & KFRE Fresno, Cal.). He will make his headquarters in Baltimore . . . William G. Hunefield Jr., ex-TvAR, Los Angeles, named sales mgr. of Westinghouse's KPIX San Francisco, succeeding Larry Fraiberg, resigned . . . Bob Marshall, ex-WAGA-TV Atlanta, named program dir., WJW-TV Cleveland . . . Rod Gibson, national sales mgr. of Friendly Group (WSTV-TV Steubenville, KODE-TV Joplin, WBOY-TV Clarksburg & 5 radios), transfers to home office in Steubenville, O. from N.Y., where Lee Gaynor takes over his duties as natl. sales rep . . . B. Calvin Jones, ex-KDKA-TV Pittsburgh, named program dir. of KHOU-TV Houston.

Joseph P. Costantino, ex-KEYT Santa Barbara, named sales promotion & merchandising dir., KTVU Oakland-San Francisco . . . Jack H. Lantry named promotion dir. of KXLY-TV Spokane . . . John Stegall promoted from production mgr. to operations mgr. of KPAC-TV Port Arthur.

Frederick R. Eckley, AT&T asst. v.p.-commercial, named long lines dept. personnel & PR dir. effective July 15, replacing asst. v.p. George F. Sparks, who becomes PR head. Asst. v.p. W. J. Whittaker becomes personnel head and John E. Waidlich becomes head of bldg. & office service dept. . . . Charles A. Runyon, ex-RCA microwave specialist, joins Lohnes & Culver, Washington consulting engineering firm . . . Charles Heaton, ex-WTTG Washington promotion dir., opens public relations firm, Advertising Public Relations Consultants, 8002 Wisconsin Ave., Bethesda, Md., and 6704 Keystone St., Philadelphia.

Dwight S. Reed and Frank E. Pellegrin, v.p.'s & founding partners of H-R Television and H-R Representatives, elected exec. v.p.'s; Avery Gibson, research dir., named v.p.; Don Softness named promotion-publicity dir., Martin Goldberg research dir. . . . Alfred Perry named

exec. asst. to Four Star Films' Herschel Burke Gilbert, head of Four Star music dept. & publishing subsidiary.

Frank Bourgholtzer, NBC Washington correspondent, elected to exec. committee of State Dept. Correspondents Assn. . . . Henry E. Rhea, Triangle Stations engineering director, appointed chairman of Assn. of Maximum Service Telecasters technical committee . . . Joseph Stamler, WABC-TV v.p.-gen. mgr., named TV-radio industry div. chairman, N.Y. USO Fund Campaign . . . G. Blair Nelson, v.p.-gen. mgr. of CFQC-TV Saskatoon, Sask., elected pres. of Western Assn. of Bcstrs (Canada).

Attorney James T. Barker, since 1955 a lawyer with the National Labor Relations Board, most recently as advisor to officer in charge of the Denver NLRB field office, has been named legal asst. to FCC Comr. Rosel H. Hyde. He's 36, a native of Ogden, Utah, received B.S. from U. of Utah, LL.B. from Georgetown U. law school.

Skip Gassensmith promoted to promotion mgr. of WSBT-TV South Bend, Ind. . . . Harry B. Simmons promoted from sales rep to Chicago city sales mgr., ABC Films, succeeding Richard Hurley, now central sales mgr.

William P. Massing, retired asst. secy. of FCC, returns for 1 year as "re-employed annuitant" to the post of defense liaison asst. to defense coordinator Harland Morris. John F. Debardeleben, engineer in field engineering & monitoring bureau, shifts to Morris' group . . . Howard C. Equitz resigns from FCC office of opinion & review to take post as asst. U.S. attorney in Milwaukee.

Brig. Gen. David Sarnoff, returning from Europe where he attended the NATO Atlantic Congress and visited England, Germany & France, called for a bigger western effort in the cold war. "The free world must do a better job than it is now doing," he said, "if it is successfully to meet the great challenge of world Communism." He said he observed a lack of understanding of the meaning and menace of cold war—a condition which "also exists in the United States."

Walter Lowen, advertising placement specialist since 1920, has sold his placement agency to Jerry Fields, dir. of Jobs Unlimited. Since 1957 Lowen has been a management consultant with his daughter Ruth Laguna heading up the Walter Lowen Placement Agency. Lowen was once called the man "who did more for agency men than their mothers," by the late Joseph Katz. He will continue as a management consultant.

### Obituary

Irl T. Newton Jr., 35, chief of antenna design for Smith Electronics, Cleveland, died July 4 in Cleveland. He was formerly mgr., broadcast & TV antennas, for RCA's broadcast equipment div. and a staff engineer of Commercial Radio Equipment Co., Washington consulting engineering firm.

Elmer C. Rhoden Jr., 37, TV film producer, died July 5 in Kansas City. He founded Premier Productions 6 weeks ago. Prior to that he had been pres. of Commonwealth Theatres. His father Elmer C. Rhoden recently retired as chairman of National Theatres.

Stephen R. Rintoul Sr., 55, v.p., treas. & founding partner of Venard, Rintoul & McConnell and a veteran radio broadcaster, died in Los Angeles of a heart attack July 1. He is survived by his widow, a daughter and 2 sons.

Paul Gale, 62, NBC Pacific div. traffic mgr., died of a heart ailment July 6 at his home in Hollywood. He had been with NBC for 28 yrs. Surviving are his widow, 2 sons, a daughter and 3 grandchildren.

## Advertising

**Bates Invades Britain:** Currently billing an estimated \$100 million for time & talent annually in U.S. network & spot TV, Ted Bates ad agency made its first international move last week with the purchase of London's John Hobson & Partners Ltd. agency as a wholly-owned subsidiary. No small firm, Hobson currently bills some \$10 million annually and is the British agency for a number of Colgate-Palmolive products handled in the U.S. by Bates.

Following an exchange of board members (Bates chairman Rosser Reeves and exec. v.p. James C. Douglass will serve on the Hobson board; chairman John W. Hobson will be on the Bates board), the 4-year-old British agency will be directly linked to Bates activity. It's expected that some of Bates' hard-sell TV techniques will be adapted for British commercial TV by the new subsidiary, already one of the major TV agencies in the U.K., and that some of the Bates clients will expand into the international market.

Soaps are big in British TV, with commercial video concerns reporting in London last week that household soaps & detergents spent approximately \$3.25 million for TV commercials in the first quarter of this year. The British version of "Tide" alone spent more than \$730,000. Toilet soaps accounted for \$950,000. Next category in size was the tobacco industry, which spent nearly \$2 million. Confectionery advertisers, interestingly, were in 3rd position in spending (they hold no such equivalent rank in the U.S., where they are considered a minor factor in big-time TV), with expenditures of nearly \$1.8 million.

Sun seldom sets on A.C. Nielsen, as the result of a new expansion of the research firm's broadcast audience measurement empire that will virtually cover Western Europe. Nielsen has linked forces with the Attwood Group of Companies Ltd. for a new company that will cover Great Britain, Germany, France, Italy, the Benelux nations, Switzerland and Austria. Attwood has been operating the TAM rating service in Britain. Ownership of the new firm, whose first move is expected to be the formation of a TV rating service in West Germany, will be "substantially 50-50" between Nielsen and Attwood.

Sun tan products have been relying heavily on radio spot this season, RAB pointed out last week. Among the top brands (Coppertone, Tanfastic, Sea & Ski, High Noon, Bronztan, Sun Bath and Bain de Soleil) only two have had noticeable spot-TV campaigns this year—Sun Bath with a heavy 3 week ID push, and Bain de Soleil, with its spot concentrated in June. Sun tan product advertising on TV has been mainly in network shows where parent companies such as Revlon (Sun Bath) and Noxzema (High Noon) slip in spots in their weekly schedules. RAB notes that the trend in radio usage for tanning products is week-end time playing to auto radios and beach portables.

Play for additional spot revenue is now being made to sales managers by The Katz Agency, station reps, in a new presentation entitled "The Sales Manager's Medium." Katz is asking sales departments to earmark at least 10% of their budgets for spot TV, in addition to regular advertising spot budgets. Companies should be using spot TV "as a right arm" of their sales departments, Katz TV sales development mgr. Halsey Barrett claims, because of the "rapid disappearance of over-the-counter salesmanship and the increase (61%) in cost per salesman's contact since 1946."

**Advertising People:** Charles E. Claggett, Gardner Adv. pres., elected chairman, succeeding Elmer G. Marshutz, named honorary chairman . . . Clifford Spiller elected vice chairman, Sullivan, Stauffer, Colwell & Bayles . . . G. Matthews Baxter, Paul Lehner, Thomas J. O'Connell, account representatives, John L. Van Zant, PR dir., elected J. Walter Thompson v.p.'s . . . Charles A. Pooler, Benton & Bowles senior v.p.-administration, named also to head agency's international operations.

Paul E. Newman, ex-MacManus, John & Adams, named v.p. & L&M cigaret account exec., Dancer-Fitzgerald-Sample . . . L. F. Ohlinger rejoins Leo Burnett as v.p. & mktg. supervisor, after having been v.p. of Fitzgerald Agency, New Orleans . . . John F. Hogan named v.p., Erwin Wasey, Ruthrauff & Ryan . . . William P. Overend named v.p., Grey Adv. . . Edwin M. Marshall named TV-radio dept. business mgr., BBDO . . . Alfred Thomas Prange appointed broadcast business mgr., D'Arcy Adv. . . Robert O. Bach, N. W. Ayer art dir., named v.p. . . Richard S. Hammett, ex-Leo Burnett, appointed research mgr., Young & Rubicam Chicago office.

**TV's Top Ad Grossers:** With some \$150 million in total billings to his credit, Arthur Godfrey is far-&-away the leader in a July 8 *Variety* compilation of TV's all-time top 10 ad-revenue grossers.

The other 9: Ed Sullivan, \$80 million; Perry Como, \$65 million; Dave Garraway, \$60 million; Gary Moore, \$59 million; Art Linkletter, \$57 million; Milton Berle and Lucille Ball & Desi Arnez, tied for 7th with \$46 million; Ralph Edwards, \$44 million; Groucho Marx, \$40 million; *What's My Line*, \$35 million.

Food product TV ad spending jumped 40% for spot & 15% for net during first-quarter 1959, compared with Jan.-Mar. 1958, reports TvB. The 1959-58 first-quarter comparisons show that food & grocery manufacturers spent \$46.6 million vs. \$33.3 million for spot TV and \$31 million vs. \$27 million for net TV. The leading food advertiser during first-quarter 1959 was General Foods with an expenditure of \$9,817,500—an increase of 23% over its first-quarter 1958 TV spending.

Spot radio's top 20 customers during first-quarter 1959 as announced by RAB, by rank: Liggett & Myers, Leeming & Co., Reynolds Tobacco, Ford, Lorillard, American Tobacco, Pharmco, Campbell Soup, Beneficial Finance, Philip Morris, Borden, Plough Inc., Bristol-Myers, Sinclair Oil, B.C. Remedy Co., Chattanooga Medicine Co., Miles Labs, Tetley Tea, Standard Oil and Sterling Drug.

H-R Television & H-R Reps move San Francisco office to the Jerome Bldg., 321 Bush St.

Atlanta office of Peters, Griffin, Woodward station representatives, has moved to larger quarters, at 1372 Peachtree Street, N.E., Atlanta 9.

### Station Rate Increases

Station	Base Hour	Minute	Date
KRCA-TV Los Angeles ....	\$3300 to \$4300	\$800 to \$900 <sup>1</sup>	July 1
WNCH-TV New Haven- Hartford .....	1200 to 1500	270 to 330	March 1
WPRO-TV Providence .....	1100 to 1400	300 to 350	June 1
KING-TV Seattle .....	1100 to 1200	225 to 300	Aug. 1
WCKT Miami .....	950 to 1050	260	March 15
WDAY-TV Fargo, N.D. ....	450 to 600	90 to 130	July 1
WCSC-TV Charleston, S.C.	350 to 400	80 to 100	July 1

<sup>1</sup> 20 Sec. only. <sup>2</sup> No change.

### Canadian Increases

<sup>3</sup> CKLW-TV Windsor, Ont.	450 to 550	90 to 120	July 1
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<sup>3</sup> Canadian rates, has separate U.S. rate card.

## Film & Tape

**FILM PRODUCERS FAITHFUL TO CODE:** More than 90% of the telefilm producers do an "exceptional job" in respecting the NAB telefilm code, we're told by Frank Morris, newly-named asst. dir. of code affairs for NAB, who headquarters on the West Coast.

Morris, who was in the continuity acceptance dept. at CBS before joining NAB, has been scrutinizing the product of telefilm—and live—producers for a long time. Experience has shown him "it's only a few producers who give the industry a black eye."

Defining his duties in the newly-created NAB post, Morris explains: "I'm not a censor, as I was at CBS. I can't stop anything. I can just offer my services and bring word of the code to producers from our Washington headquarters on what groups in the country are unhappy with TV programming. I am an advisor."

Morris feels "the TV audience is growing more sophisticated, and its tolerance is becoming broader. However, TV has nowhere near the latitude the movies have at this point." (Morris, code dir. Edward Bronson and motion picture code administrator Geoffrey Shurlock met last week, but Morris tells us it was not to try to bring about uniformity between the TV and movie codes—"just a meeting of old friends.")

Morris will appraise scripts submitted him by producers of pilots or series. He cites actual illustrations of how the code office can help producers. In one pilot film he viewed, a telephone number was used. When he asked the producer if it were a real or mythical number, the producer wasn't certain. Morris checked, found out it was the number of a doctor in N.Y. "If he had run the picture as shot, on TV, he might have been in trouble. For in the picture that number belonged to a sexy woman. Had the picture been shown on TV, the doctor undoubtedly would have been plagued with a lot of nonsensical phone calls, and he might have sued for invasion of privacy. When I informed the producer about this, he immediately corrected the situation by changing the number.

"Then there is the situation regarding identifiable props, particularly important to syndicators. If they use an identifiable prop, like a Yellow Cab, or a Plymouth, they can be in trouble. One syndicator shot a film in which a Plymouth was used and was about to distribute the series for syndication when they made a network sale. The sponsor was an auto company, maker of a different car. So this producer had to reshoot his picture."

For the time being, Morris won't scan commercials, and they will continue to be watched by the Washington office. Asked if he was going to police telefilms, Morris replied, "I'm going to await instructions from the code board in Washington on this."

Morris points out the continuity acceptance depts. at the 3 networks have the final say on telefilm product, that they "have editorial responsibility of censorship." He will work closely with those departments and producers.

Tape-vs.-film comparisons will be a featured topic in a series of CBS-TV demonstrations of new tape commercial techniques to be held in Hollywood July 16-17, and in San Francisco July 21-22. Invitations from John Hundley, sales development mgr. of CBS-TV production sales, who will conduct the demonstrations, have gone to a list of "key agency and client representatives" on the West Coast.

**TV'S MOVIE APPETITE:** More than one out of 3 TV stations air anywhere from 6 to 10 feature movies a week, one out of 5 outlets telecasts 11-15 features, and some show as many as 21-45 films. So reported NTA International (which distributes NTA's feature packages in the U.S.) last week in a 300-station study released by pres. Harold Goldman.

Independent stations, not surprisingly, outrank network affiliates as movie exhibitors, the independents averaging 21 feature shows a week (average total time: 36 hours) as against 9 features (15 hours) weekly for the affiliates. There's a close relationship between the number of stations in a market and the amount of time spent airing features, L.A. and N.Y. outlets giving 30.2% and 26.8% of total air time, respectively, to TV movies. Here are the NTA figures on weekly totals:

Stations	% of Stations	Films Per Week
106	35.3	6-10
67	22.3	1-5
61	20.3	11-15
30	10.0	16-20
20	6.7	21-25
8	2.7	26-30
3	1.0	31-45
5	1.7	0
<hr/> 300	<hr/> 100.0	

**Film Firms on the Move:** Three major telefilm companies announced plans for physical shifts and/or realignments last week, with 2 of the moves emphasizing the increasingly close links between Hollywood and the TV industry.

NTA announced that it is shifting its home office from N.Y. to Hollywood as part of parent National Theatres' move into new quarters in Beverly Hills, with NTA maintaining only program sales, o-&o stations div., shipping offices and its video-tape subsidiary (Telestudios) in N.Y.

Screen Gems, the thriving TV subsidiary of Columbia Pictures, will be "integrated into the overall studio operation" this fall, with the production, story, casting and publicity functions due to be headed by Columbia pictures executives in a pattern similar to the TV-movie relationships of Warner Bros. and MGM.

CBS Films, currently quartered a couple of blocks up Madison Ave. from CBS headquarters (485 Madison), will move into larger space before the end of summer in the 477 Madison office building next door to the network.

Syndication sales are humming, Ziv TV—now being purchased by 2 leading Wall St. banking houses (Vol. 15:27)—and ITC reported last week. Sales & renewals on Ziv syndicated telefilms are running 34% higher for the first 6 months of this year as against the same period a year ago, stated sales v.p. Bud Rifkin. At ITC, sales by Arrow Productions (the firm's rerun division) are 21% higher for the first half of this year compared with the period the year before, and 37% higher than the division's first 3 months of operation, said Al Unger, admin. mgr.

Guild Films has been ordered to turn over all prints, negatives, contracts and income on the *Telephone Time* series by R. E. Allen, court-appointed receiver for the show (Vol. 15:27). Allen will negotiate a deal with another national distributor for further syndication of the 79 half-hour films. Jerry Stagg, producer of the series and part-owner, had sued Hal Roach, Guild and others charging "conspiracy & fraud" in the deal whereby Guild leased the films from Roach.

**Visit to a TV Planet:** Most striking example of the revolutionary change in face and pace in Hollywood today is Warner Bros. When we visited the huge studio which was once a center of movie-making, there wasn't a single movie in production last week. But 8 of WB's 10 TV series were before the cameras.

Warners' Burbank lot is currently very busy—but not on movies. They have built expensive, impressive sets for such 60-min. series as *The Alaskans*, *Hawaiian Eye* and *Bourbon Street Beat*. In addition, the studio—busiest of all the majors in TV—has in production 77 *Sunset Strip*, *Cheyenne*, *Sugarfoot*, *Maverick*, each a 60-min. series, and *The Lawman*, a half-hour series.

All the emphasis at Warners today is on TV, and the only talk we heard about movies was that WB may finance some independent feature films. Warners, more than any other studio, today illustrates the radical change in attitude on the part of the majors, who once brushed off TV as a brash, illegitimate offspring of show business.

A \$500,000 film editing and casting building to accommodate this expanding TV production is being constructed on the Warner Burbank lot, adjoining the TV operations center completed last year. Containing 49 film editing and cutting rooms and 6 casting suites, it will house 125 people, giving WB a total of 75 editing rooms for TV.

**Yankee Film Dandy:** The sun never sets on American TV shows. Via telefilm, American culture as represented by numerable programs—*Hopalong Cassidy*, *Father Knows Best*, even *Sheena*—is being dispensed in large quantities to the natives of more than 50 countries, from here to Hong Kong, according to annual "Scorecard on U.S. Telepix Sales Overseas" in July 8 *Variety*.

Foreign consumption of American TV fare ranges from a top of 158 shows in Australia to single selections in Guam (*Three Musketeers*), Bolivia, Chile & Ecuador (*O.S.S.*) and French Africa, Morocco, & Tunisia (*Fury*).

Indicative of the mileage film producers are getting, ITC has 16 properties in 33 foreign countries. The distribution is patternless: Ziv is the big gun in Argentina with 8 entries, but low man in Canada, with only *Cisco Kid* riding. Of all the film makers listed, only CBS, ITC and Screen Gems have made it into Africa, bringing with them such interesting items as *Circus Boy*. Another interesting scheduling: *The Count of Monte Cristo* in Monaco.

Purchase of Mills Music by Jack Wrather's TV organization for \$5 million, which has been in the works for months, has hit a series of roadblocks, and may well be dropped. The principal problem is the complexity of the financial relationship of Mills with ASCAP—Mills wants to withhold some 6 months of ASCAP payments (an estimated \$300,000) because of the slowness of the society's payments to members.

Cuts in video-tape prices, which drop the tag on an hour reel to \$271.58 from the previous \$282.90, were announced last week by Minnesota Mining & Mfg. Co., still the sole manufacturer. In lots of 48 or more reels, the savings mount to \$33.95 per reel. MMM v.p. & magnetic products div. gen. mgr. Dr. W. W. Wetzels predicted that "the hour reel will be priced in the neighborhood of \$150 . . . within the foreseeable future." He attributed the reduction to improved production methods which have decreased waste.

**L. A. Cool to Syndicators:** Los Angeles, for years one of the most important markets for syndicators of telefilms, has developed a chill to them today. Result: In some instances prices of telefilms are dropping in the soft market, but even so there are no takers.

We checked Los Angeles station managers, executives & film buyers about the situation, and they agreed it's due to 2 principal factors: (1) Stations feel telefilms are overpriced, that no matter what rating they may get, the station won't come out with a profit; (2) KTTV, long the leading buyer of telefilms in the Los Angeles market, bought only one film series this summer (*Trackdown* reruns) as compared to 14 last summer.

KTTV competitors accuse that channel of having initiated an inflationary trend by paying sky-high prices for films years ago. KTTV film buyer and asst. program dir. Dick Woollen admits "to a certain extent it's true. We started the inflationary trend. The sellers realized if we liked a show we wouldn't quibble about the price."

Woollen explains he's not in the market for any product now because he has enough films. "The bulk of it is carryovers from what we bought last summer. We will have 1 or 2 new tape shows in the fall also." However, if he wanted any product today, "I would argue the price, which I haven't before. Price on telefilms has gotten beyond the possible-point of return," he says. "We look upon video tape as the answer to this problem. With imagination and ingenuity you can produce a good program on tape for relatively few dollars. Our taped *Divorce Court* is now in 22 markets."

Al Flanagan, v.p.-gen. mgr. of independent KCOP, also states "the price is too steep. Sure, some of these shows being offered will get ratings, but it's cost-per-1000 that counts. What good's a rating if you lose money? KCOP will not buy at present prices, he informs us.

KHJ-TV v.p.-mgr. John Reynolds tells us he's been offered large blocks of reruns and first-runs, but isn't interested because of the price. "For one thing, you can't sell a half-hour show. The average advertiser has a budget of \$1500 a week, with which he can buy 7 or 8 spots scattered on various programs each week. He can't afford a half-hour telefilm which costs around \$2000, or \$3000 including time costs. We are not going to buy any more half-hour shows. In the past we've bought a half-hour show for 52 weeks, and it's been a bomb. When we ask the distributor to help us out with exploitation, he usually says ho-hum, and won't help."

Los Angeles station executives tell us MCA-TV film syndication is asked \$2125 for each of 52 *Shotgun Slade* episodes, including 13 reruns; CBS Film Sales wants \$2200 a week for *Sergeant Bilko* reruns, but will cut it to \$2000 if a station buys the series for 3 years; Ziv TV is asking \$2250 for *Lockup*; ITC originally asked \$2200 for *Sergeant Preston*, the deal to include 13 first-runs, and then eliminated first-runs and asked around \$600.

Small, mobile Trans-Lux sales staff continues to prove that a strong film property can be moved in syndication without big overhead. With its 4-man sales force (including T-L sales v.p. Richard Carlton), Trans-Lux has now sold its color *Felix The Cat* TV cartoon series in a total 35 markets (16 sales made in June alone) for a total gross so far of over \$2 million annually.

"Teletape" is new term for video-taped programs which NTA seeks to trademark in an application filed with U.S. Patent Office.

**New York Roundup:** MGM-TV's *Father of the Bride*, shot last year as a 30-min. pilot, may yet wind up as General Foods' costliest TV failure. GF has already sunk some \$150,000 into developing & filming the property (based on an MGM feature) on Benton & Bowles' recommendation, is reportedly unhappy with the results, and hasn't scheduled it in a network slot for fall . . . CBS Films' *House on K Street* pilot, produced in Washington by Sam Gallu (*Navy Log*, etc.), hasn't scored a national sale yet, but has aroused enough agency interest to prompt the CBS syndication subsidiary to schedule 2 more episodes for production, plus 6 more scripts. The extra product, CBS feels, may help clinch some deals now close to signing.

Ziv's *Sea Hunt* and *Highway Patrol* take first and second place in 8 out of 10 ARB rating polls of syndicated telefilms, the company says . . . Screen Gems broke store attendance records in Houston, Tex. this month with "personal appearances" (actually, actors dressed in costume) of cartoon characters Huckleberry Hound and Yogi Bear at Foley's dept. store.

Show Corp. of America has added 4 titles to its "Mid-'50 Movies" package now in 25 markets. New features include "Stromboli" with Ingrid Bergman; "Death of a Scoundrel," with Zsa Zsa Gabor; "Back from Eternity" featuring Rod Steiger, and "While the City Sleeps," starring Dana Andrews and Ida Lupino. Fourteen of the 18 releases in the package have 1956-and-later release dates.

Screen Gems' *Man Hunt* has been bought by Alka-Seltzer for a probable spread of 15 West Coast markets. The purchase is a close follow-up to Genesee Beer's N.Y. state regional buy of the Victor Jory series.

June 18 *Playhouse 90* offering "As Dark as the Night," starring Laraine Day and Michael Wilding, was produced in London by Nicole Milinair with a two-fold purpose: TV exposure in the U.S. and theatrical distribution in Europe. The TV earnings of the feature-length film, it's said, already cover an estimated 50% of its budget.

Edward R. Murrow plans to keep busy during his year-long sabbatical. He's said to be planning 2 major hour-long public affairs specials with producer Fred W. Friendly for the Bell & Howell-Goodrich series of 6 shows on CBS-TV.

**Talent at Work:** Teresa Brewer, fired from the NBC-TV Saturday-night *Perry Presents* series last week after she said she was going to quit, was snapped up for a series of 3 appearances on *The Ed Sullivan Show* . . . Mrs. F. D. Roosevelt becomes a TV program performer July 17 when she reports to work in N.Y. for the pilot film of a new public affairs show dealing with international discussions between college students.

Procter & Gamble of Canada has bought ABC Films' new syndicated series *Congressional Investigator* for 30 markets covering all of Canada. Products and agencies haven't been decided. A sales campaign for syndicating the series within the U.S. will begin this week.

"My Fair Lady" won't be on TV in capsule form this fall after all. Plans for a 90-min. special "Evening with Lerner & Loewe" on NBC-TV—sponsored by General Motors to preview the 1960 lines of GM cars—turned out to be premature, and the special has been scratched. It's said that CBS (which holds controlling interest in "My Fair Lady") and MGM (in the same position on "Gigi") balked at the idea of doing segments of the Lerner-Loewe shows on NBC. Also on the musical scrapheap: Plans for 10 NBC-TV pop music specials to be sponsored by Canada Dry—sponsors & network disagreed on format.

Guild Films has moved to 655 Madison Ave., N.Y.

**Hollywood Roundup:** Four Star Productions will expand into the field of live production next year. Pres. Dick Powell tells us Rexall Drugs had offered Four Star the job of producing its specials, but said because his telefilm company wasn't then equipped to turn out such shows he had to turn it down. (The account went to David Susskind). With Tom McDermott now production v.p. and live-TV producer Alvin Cooperman on the staff, Four Star now plans to produce live specials, he says.

Ziv TV, which has been trying to sell the pilot of *The Man Dawson* for network showing, has decided to proceed with production of 39 segments, putting the series into syndication. Keith Andes stars . . . Sussex Films and Four Star Films plan a series called *Attorney General*, based on files of the California attorney general's office of identification & investigation. Jules Levy, Arthur Gardner and Arnold Laven, producers of *The Rifleman* and *Captain of Detectives*, head Sussex. A pilot will be produced at Republic studios.

Although David Janssen has been announced as the star of a new series, *The Racers*, he is still under option to Four Star, for which he did the *Richard Diamond, Private Detective* series. Negotiations are on for "Diamond" to be on NBC next season (it was on CBS last season) . . . Allen Rivkin has resigned as producer of Meridian Productions' *The Troubleshooters*, starring Keenan Wynn with Richard Steenberg replacing him . . . Screen Gems has signed Matthew Rapf as a producer, and assigned him to a new series, *Brothers January*.

CBS puts its new *Hotel de Paree* Western series into production Aug. 10. The studio hasn't yet been selected. Milton Krims is producer, and Bill Self exec. producer. . . Robert Dillon named story editor of *Adventures in Paradise* series at 20th-Fox.

Warner Bros. 77 *Sunset Strip* star Roger Smith, recovering from an operation to remove a blood clot from his brain, won't be back at work in the series for at least 6 weeks. Meanwhile, Efrem Zimbalist Jr. and Edd Byrnes are starring in "Strip" episodes now in production.

Producer Jerry Stag will film his *High Road with John Gunther* series on the Hal Roach lot, with production beginning next month.

Screen Gems has renewed production v.p. Harry Ackerman's contract for 2 years, giving Ackerman additional ownership of shows he personally develops. . . . CNP made a bid to buy 60 telefilms starring Ray Bolger, but he rejected it. Bolger tells us he turned the offer down "because I don't need the money now and I plan a return to Broadway, which I feel will make the films more important then." The dancer-actor also rejected a bid to sell the films to Australia.

Betty Hutton's new series, *Goldie*, goes into production July 13 at Desilu Culver. Stanley Roberts is producer of the CBS series . . . NBC begins production the same day on *Fibber McGee and Molly*, at Metro. William Asher is the producer.

Georgetown Films has been formed by Richard Morley, Bernard Lippman and Herberg G. Luft and plans production of a telefilm series called *The Scene of the Crime*. Morley will be producer . . . Bob Finkel has signed to continue as producer-director of *The Dinah Shore Show* on NBC next season.

Producer Jaime del Valle (*The Lineup*) will produce a new CBS series, tentatively called *Mexico City* . . . Fred de Cordova will be producer-director of *The George Gobel Show* on CBS next season . . . Warner Bros. has resumed production of 77 *Sunset Strip* and *The Lawman*.

# Trade Report . . . .

JULY 13, 1959

**INDUSTRY SITS ON 'MADE IN JAPAN' FENCE:** Mention the dynamite-loaded subject of Japanese imports these days and the industry becomes inscrutable. Japan's capture of nearly half of all first-quarter U.S. non-automotive radio sales has tied top-priority tag to this soul-searching question: Do you continue to try to lick 'em or is it time to join 'em?

Our own survey of 10 leading TV-radio-stereo manufacturers indicates majority haven't yet decided whether to import Japanese-made radios and/or tubes, transistors & parts. Although few will admit (for quotation) that they see any real threat in growing Japanese competition, in private discussions their concern about the amputation of transistor-radio profits is real and intense.

Several formulas are already available for integrating imports into U.S.-branded product lines. Most celebrated is Motorola's approach: It had batch of \$29.95-list radios made up in Japan, now manufactures same radio in U.S. with some Japanese parts (including a tuning component not available here, the plastic cabinet and some transistors). This model is "selling like hotcakes," says Motorola. CBS took slightly different tack, re-entering radio market (through its Columbia phono dept.) with transistor sets made by Columbia of Japan. "We wouldn't have done it if these sets weren't made by our own affiliate," a Columbia official told us. Olympic has been selling Japanese-made radios under its own brand-name for some time.

RCA International is following pattern set by International GE, which is buying Japanese transistor radios, tubes & components for sale in markets outside U.S. (Vol. 15:21). Exact nature of RCA's deal is still undisclosed, but company is known to be buying Japanese-made radios for overseas sale.

"If the Japanese can produce the goods more cheaply, they're going to get the business," we were told by one TV-radio veteran who is regarded as an industry pioneer & statesman. "I can see everybody jumping on the bandwagon, creating a very serious problem for the parts makers." (A survey of component makers is now in progress and will be detailed soon.)

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Most industry leaders—and this includes Admiral, Emerson, GE, RCA, Sylvania, Westinghouse—tell us they have no plans "at this time" to import Japanese-made transistors, tubes, components or finished equipment for domestic market. They express faith in Yankee ingenuity to outdo anything "they" can do.

Behind this facade of detachment is plainly visible the impression of a troubled industry sitting uncomfortably on a made-in-Japan fence. Even the somewhat equivocal answers of set makers to our questions aren't incompatible with previous public statements by Admiral pres. Ross Siragusa that Japanese imports have "seriously affected the profitability of U.S. portable radios" (Vol. 15:13), and by GE chairman Ralph Cordiner that GE lost about 50% of its transistor radio business to Japanese competition (Vol. 15:20).

Two opposing points of view thread their way through responses to our talks with TV-radio-stereo makers on question of use of Japanese imports. Emerson pres. Benjamin Abrams, for example, points out that his firm already is marketing a 100% American transistor portable at \$28—list-priced below Japan-made models. "The Japanese import will kill itself off and disappear in much the same way that German-made phonographs are disappearing from the U.S. market. Within the next 12 months we will see a material decline in Japanese imports."

On other hand, another major manufacturer (whose name, significantly, is withheld by request) told us: "We certainly are looking into the possibilities of Japanese imports—and so is everyone else. Every major American firm has been, now is, or soon will be in Japan to make on-the-spot appraisals. The economics are appealing. Right now, Toshiba & Hitachi receiving tubes are available at 50%-70% of our cost; miniature transformers & capacitors at 50%-60%.

"In Japan, transistors cost no more than tubes, and it makes little difference costwise to Japanese manufacturers to go completely transistor. In this country, we replace our electron tubes (which are 30%-50% higher in price than Japanese types) with transistors that are 50%-100% higher than our tubes. So long as the Japanese continue to combine price & quality, they'll develop American interest."

Japanese offers to build transistor portable TV sets for U.S. manufacturers (Vol. 15:25) also was subject of set maker comment—all of it negative. For further details on our survey, see story on page 17.

**TV-RADIO PRODUCTION:** EIA statistics for the week ended July 3 (26th week of 1959):

	June 26-July 3	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV .....	98,426	110,300	55,884	2,788,945	2,167,930
Total radio .....	258,234	288,041	97,205	7,110,758	4,619,163
auto radio .....	108,459	126,022	19,741	2,900,621	1,464,519

**MOTOROLA STRESSES STEREO:** Pressing the advantage it gained by early entry into the field (it claims to be No. 1 producer), Motorola last week left no doubt that it believes stereo will be 1960's major home electronics product. Response of 700 dealers attending first showing of new line indicated that they heartily second the emotion.

In first of 14 dealer showings across nation—to be attended by 10,000 retailers—gala MCA-produced product show at luxury Concord resort in Monticello, N.Y., drew far more applause for stereo introductions than for new TV line. Motorola's ingenious stereo line features 3-channel sound—first of the top-echelon lines to do so. Sets have 3 amplifiers instead of the conventional 2, the 3rd (center) unit amplifying only bass frequencies (below 300 cycles) and feeding them to central woofer. Advantages claimed are purity of reproduction and good stereo effect anywhere in room. Except for one model, all Motorola stereo sets are in one-piece cabinets.

In TV, Motorola again emphasizes quality and trouble-free service, eschewing gimmicks. Featured in line is company's first 110-degree set—a slim 17-in. portable, with unique and compact horizontal plated-circuit chassis which can be completely removed from set, thanks to 36 snap-on connectors.

Featured in rest of TV line are new tuner with frame-grid tube for greater sensitivity, pre-focus wide-cathode picture tube said to give longer life (Vol. 14:20), continuously variable tone controls in all 21-in. sets. In line with industry-wide good-furniture trend, Drexel-cabinet series of TVs & stereo units is being expanded. Full-year TV warranty is continued.

Motorola injected itself into 23-in. battle by showing 2 handsome 23-in. sets—not for sale. Said consumer products distribution mgr. David Kutner: "We have designed & tooled a new front to take this tube and are ready to go into production at any time [but] we're not convinced this tube is ready for production. We need a minimum of 5-6 months for testing."

As to battery-operated transistor TV, Motorola showed one of those, too—again not for sale (yet). Said consumer products exec. v.p. Edward Taylor: "We'd rather be right than first." Displaying slim 110-degree 17-in. portable, he added: "We're going to merchandise it as a fine precision instrument—better than any plug-in portable on the market today." Best guess on Motorola's battery-portable timing & pricing: Early next spring, \$250-\$299.

To back new lines, Motorola plans biggest ad campaign in its history, blanketing country with saturation every-other-day ads in 300 newspapers for 6-week period starting Sept. 15, backed with billboards, direct mailers, magazine ads, etc.

Taylor was optimistic about industry-wide TV production, forecasting sales of 6 million this year. He said Motorola's TV sales are up 40% over last year, its portable radios 42% up, auto radios 40% up.

Last major new-line showings will be by Westinghouse—postponed because of lengthy TV-radio plant strike. Dates are now set: N. Y. July 27, Chicago Aug. 4, San Francisco Aug. 11, New Orleans Aug. 14.

**TV Buying Plans Down:** The American consumer in Feb.-Mar. 1959 had more plans to buy more products than in the comparable 1958 period—but TV wasn't among them—according to the latest *Newsweek*-sponsored report on consumer buying plans compiled by the National Industrial Conference Board. The survey is based on more than 1000 weekly telephone interviews.

Asked if they planned to purchase TV sets within 6 months, 6% fewer respondents answered "yes" this year than last. However, the half-year buying plans for other appliances were up—dishwashers 39%, air conditioners & washing machines 4%, refrigerators 3%. Plans to purchase homes & automobiles also were well above the levels prevailing in Feb.-Mar. 1958: up 15% for homes & 53% for total autos. Used auto purchasing plans increased by 79%.

**Trade Personals:** Fred J. Kopesky, ex-RCA, named planning dir., Packard-Bell home products div. . . William T. Marx, ex-Raytheon, appointed ITT senior v.p.-planning, organization & industrial relations; Harry G. Beggs, ex-Cresay, McCormick & Paget management consultant firm, named manufacturing & facilities v.p.

Dr. Raymond M. Wilmotte, authority on antenna theory & communications and ex-W. L. Maxson consulting scientist, named to advanced military systems staff, RCA defense electronic products div.; G. Wallace Crawford appointed operations planning mgr., and Arnold E. Linton, manufacturing planning mgr., receiving tube operations, entertainment tube products dept.—both new posts; John Q. Whitehead named custom aviation equipment sales mgr., Richard T. Barrett govt. contracts mgr., Charles Z. Becker, Atlas ICBM contracts mgr., West Coast missile and surface radar dept.

Christian J. Goodman promoted from transistor product sales mgr. to Eastern regional sales mgr., GE semiconductor products dept.; George R. Curtiss, intra-company sales mgr., named Central regional sales mgr., headquartering in Chicago; H. Ward Gebhardt, district sales mgr. in 3 western states, named Western regional sales mgr., Los Angeles.

Robert E. McDowell, Cohu Electronics treas. & secy., also elected v.p.-finance . . . John Squires named GPL western regional mgr., headquartering in Pasadena, Cal. . . Bernard W. Maxwell named adv. & sales promotion dir., American Geloso Electronics.

Charles A. Parry, former Page Communications Engineers foreign technical adviser, named v.p. & U.S. representative of Edison-Page S.P.A., Rome. Kurt G. Happe, Page consultant, appointed Edison-Page Rome office head . . . William V. Levine named editor of *Sylvania News*, succeeding William M. Pace, recently named Sylvania renewal tube sales adv. supervisor.

Allan R. Shilts appointed Stromberg-Carlson controller, succeeding Daniel G. Schuman, resigned . . . John E. Johnson named v.p. & mktg. mgr., RCA electronic data processing div.

H. Leslie Hoffman, Hoffman Electronics Corp. pres., heads a new Cal. corporation which last week acquired Western Mortgage Corp., L.A. real estate mortgage firm.

**More about**

**TO IMPORT OR NOT TO IMPORT:** Most U.S. TV-radio-stereo manufacturers are still sitting on the fence on the subject of whether to import Japanese end-products or components for use in their own domestic lines. Our survey of leading set makers (see p. 15) shows that most of them have "no present plans" to deal with Japan—but that plenty behind-the-scenes investigation of Tokyo suppliers is going on.

Japan's transistor radio industry—now dealing through a wide variety of "novelty item" distribution setups—would prefer to work with big U.S. manufacturers. It would like to have top brand-names stamped on its sets and to enjoy first-rate distribution organizations. The temptation to U.S. set makers undoubtedly is great—but no big manufacturer here has completely succumbed to it, although there has been some tentative foot-dipping.

There's a second front, too, in the Japanese push: components. Radio, hi-fi & TV parts are being peddled—and there have been offers from Japanese manufacturers to build all or part of transistorized battery TV sets for U.S. companies. These topics have been covered in our talks with American manufacturers—some of whom didn't wish to speak for attribution.

Emerson's Ben Abrams believes that "more and more, the American manufacturer will shy away from the cheaper imports. The Japanese's principal advantage is greater compactness of equipment. It costs more to make a small set than a large one, and the Japanese have the advantage of cheaper labor."

However another industry statesman, veteran of radio, TV, stereo & tube business, summed up this view: "A number of American manufacturers have opened buying offices in Tokyo or have resident people there. Many are beginning to buy parts for low-cost portable transistor sets which can't be made here because of high labor costs." He foresaw "no falling-off of imported components or small sets. There is no way a U.S. manufacturer can market a set for \$29-\$35 with carrying case and earpiece—they just can't touch it."

"These Japanese products aren't tissue-paper stuff, either. Their govt. has strict quality-control on exports. TV is another thing, though. They can't sell it here without brand-name distribution. I also have grave doubts about Japanese hi fi. Our acoustics are far superior to theirs."

"The answer is automation, and we're moving ahead rapidly—particularly in the production of transistors. We've got faith enough in our own ability. As we develop further automation techniques we can become very competitive in terms of better transistors and other equipment at a good price."

\* \* \*

On the use of Japanese parts, a GE spokesman told us: "There will be an increasing swing to Japanese parts for the simple reason that their price advantage will be increasingly appealing, so long as their quality meets industry standards."

Westinghouse TV-Radio div. marketing dir. C. J. Urban told us: "We do not foresee a swing to Japanese parts. So far as we're concerned, we still have to be shown that Japanese quality is up to our specifications. There's also the problem of availability."

Sylvania Home Electronics senior v.p. Marion E. Pettegrew summed up the majority opinion: "The entire subject of low-cost, imported components represents a serious challenge to the entire home electronics industry,

but I do not, at this time, foresee any great swing by the industry to substantially increased use of imported parts or finished products."

Foreign electronic components and finished equipment aren't new to the U.S. market, although they never have been as major a factor as the Japanese situation now presents for radio makers. Principally, foreign end-equipment imports have been higher-priced goods—European (mostly West German) hi-fi equipment.

Most larger TV-radio-phono makers are just about "100% American" in their use of parts. There are some exceptions, most of them picayune: GE uses a Philips tube in its TV tuner; a number of other manufacturers (Westinghouse, Motorola, Magnavox, Columbia are among them) use British Collaro, BSR or Garrard changers in their 1960 stereo lines; some use Japanese-made tone arms and cartridges in their cheapest phonos. Some smaller radio makers are now using Japanese tubes.

\* \* \*

Japanese transistor TV apparently isn't regarded as a major threat. Typical comments:

Westinghouse's Urban: "Our investigations and those of our international organization indicate that use of Japanese components will be of little help in bringing down the price of transistorized battery-operated TV portables. The Japanese themselves will have difficulty in making a set to retail for \$250. Emerson has already announced such a set [as has Philco] and it seems to me that Ben Abrams has beaten the Japanese at their own game. The problem here is not one of cheaper components but of the state of the art. One of the primary problems is the question of tube size. Are we going with the 8-inch, the reflex, the 17-inch? The cost of making a transistorized TV portable will be such that the unit will have to go to market in the \$250 to \$299 bracket."

Sylvania's Pettegrew: "Just about every major manufacturer in the TV industry has been working to perfect a transistorized TV portable set which can be marketed profitably, and at a price which will assure mass purchases by the public. The industry has not yet solved this problem completely but I believe that American ingenuity & manufacturing knowhow will have more to do with the successful solution of this problem than the importation of low-cost components."

\* \* \*

How to meet the made-in-Japan threat? Here are some opinions:

Emerson's Abrams: "The only way to cope with the Japanese import situation is for American manufacturers to show more ingenuity, to design and produce better equipment."

Admiral's Siragusa: We must play up the many advantages of American equipment—quality, features, availability of replacement parts, service. Also, we must stress that buying-American helps the nation's economy.

An RCA spokesman: "We must produce superior equipment with exclusive features that people are willing to buy at the higher prices."

Westinghouse's Urban: "We can meet foreign competition with innovation & creativity."

Warwick Pres. L. G. Haggerty: "Certainly American industry has the ingenuity and the knowhow necessary for meeting the situation. It always has in the past."

One of the more candid answers came from one of the larger TV-radio manufacturers: "How do we cope with the Japanese import problem? No one in the business seems to have the right answers to this one now."

**FORTUNE's '500':** The recession played no favorites last year, as indicated by July *Fortune* in its 5th annual tabulation of the nation's top 500 industrial corporations. They dropped collectively 17.8% in profit, from 1957's \$11.7 billion to 1958's \$9.6 billion, and 6.1% in sales, to \$176.8 billion. The cream was even thinner at the top. The first 50 firms were down 20% in net profit and off 8.2% in sales. (Our own survey in Vol. 15:2 showed representative TV-electronics company profits declined average of only 3.2%.)

Ranked with the 500 were 34 manufacturers in electronics and related fields, including newcomers to the listing: Litton Industries, Siegler, Standard Coil Products and Lear (See table below). Displaced were Arvin (469th in '57) & Globe-Union (496th).

General Motors continued as the nation's largest corporation, with sales of \$9,521,966,000 & profits of \$633,-628,000. In 2nd & 3rd places were Standard Oil of N.J. & Ford Motor. General Electric came up to take 4th place from U.S. Steel, which dropped into the 5th slot occupied by GE in 1957. The largest increase in 1958-over-1957 sales was scored by Litton, with a whopping 195.6% jump. Siegler was up 125%. However, the electronics-appliance industry trend was down: return on sales in 1958 averaged 4.1% vs. 4.5 in 1957; return on invested capital averaged 10.3% compared with 12.4 the preceding year.

Despite recession's cold touch, many of 1957's high-ranking electronics firms improved their positions or held firm: GE, 4th vs. 5th in 1957; Western Electric, 10th vs. 11th; Westinghouse, 13th vs. 14th; General Dynamics, 20th vs. 20th; IBM, 28th vs. 37th; RCA 29th vs. 29th; Raytheon 111th vs. 167th; Zenith 221 vs. 274, others.

Note: *Fortune's* annual list of 100 largest foreign industrial companies will be published in Aug. issue, along with compilations of 50 biggest banks and merchandising, transportation, life insurance & utility companies. Combined reprints of all lists will be available Aug. 1 from Fortune Director, Room 1430, 9 Rockefeller Plaza, N.Y.

Vacation shutdowns by set manufacturers, as reported by EIA & other sources: Admiral, 3 weeks ending July 14; GE, July 24-Aug. 9; Hoffman, July 20-Aug. 2; Magnavox, July 6-19; Motorola, July 6-19; Olympic, July 3-20; Packard-Bell, July 6-19; Philco, July 20-Aug. 2; RCA, Aug. 17-30; Sylvania, Aug. 14-31; Warwick, July 6-19; Wells-Gardner, July 13-26; Westinghouse, Aug. 3-16; Zenith, July 6-19.

New govt. directory of small research & development firms qualified for govt. contract work will be published by the Small Business Administration. Companies interested in listing their qualifications in the book, for which the deadline is Aug. 1, should contact SBA regional offices.

### TV-Radio-Electronics Rankings Among 1958's 500 Largest U.S. Industrial Corporations

Reprinted with permission from *Fortune Magazine*

RANK '58	RANK '57	COMPANY	SALES <sup>1</sup>		ASSETS <sup>2</sup>		NET PROFITS <sup>3</sup>		INVESTED CAPITAL <sup>4</sup>		EMPLOYEES <sup>5</sup>	RANK			
			(\$000)		(\$000)		(\$000)		(\$000)						
4	5	General Electric .....	4,120,770	11	2,420,939	11	10	242,943	8	9	1,310,987	12	12	249,718	2
10	11	Western Electric .....	2,173,352	20	1,337,422	20	19	85,936	17	20	887,540	16	19	128,290	8
13	14	Westinghouse Electric ..	1,895,699	17	1,411,508	17	18	74,773	20	25	870,319	18	18	114,652	9
20	20	General Dynamics .....	1,511,456	54	651,182	54	58	36,729	51	49	274,884	81	91	92,900†	13
28	37	Int'l Business Mach. ....	1,171,788	18	1,340,399	18	22	126,192	11	18	720,221	23	25	61,159†	22
29	29	Radio Corp. of Amer. ..	1,170,686	43	751,534	43	38	30,942	67	63	295,439	71	71	69,100	19
44	42	Sperry Rand .....	864,330	46	743,153	46	46	27,481	74	42	341,246	63	62	98,728	10
49	58	Int'l Tel. & Tel. ....	687,451	30	869,006	30	30	26,600	77	102	395,739	52	54	130,000	7
58	51	Bendix Aviation .....	619,138	98	325,561	98	90	21,172	98	90	214,338	97	99	47,000	37
97	97	Whirlpool .....	404,628	155	203,536	155	138	10,179	174	198	107,489	188	187	12,799	152
111	167	Raytheon .....	375,156	226	138,277	226	233	9,403	193	277	59,982	304	336	33,255	56
123	116	Philco .....	340,724	175	182,427	175	157	2,874	387	357	102,109	194	193	20,000	101
124	109	Thompson Ramo Wool...	340,622	156	203,524	156	149	8,979	204	182	109,698	184	185	23,091†	85
126	120	Sylvania .....	333,256	123	264,889	123	124	8,373	217	172	140,646	141	135	27,000†	71
129	129	Minn. Honeywell Reg. ..	328,480	124	263,816	124	125	22,562	91	106	170,225	117	118	32,129†	60
140	143	ACF Industries .....	294,894	204	153,500	204	151	7,851	225	230	120,500	169	156	15,085	128
144	133	Avco .....	282,330	189	183,029	174	189	11,597 <sup>6</sup>	154	169	98,699	201	205	18,935	104
193	192	Motorola .....	216,590	240	127,902	240	242	7,356	240	258	71,533	267	269	12,000	164
221	274	Zenith .....	180,634*	268	109,206	268	288	12,116	151	246	70,656	269	275	8,500	248
241	230	Gen'l Precision Equip. ..	168,333	226	132,011	235	226	304	478	362	59,376	309	286	14,500	134
252	256	Admiral .....	159,902*	274	101,999	282	274	1,375 <sup>7</sup>	454	479	59,563	307	303	8,000	262
254	261	Corning Glass .....	159,138	215	164,651	196	215	17,164	120	125	110,239	183	189	12,800	150
309	288	American Bosch Arma ..	115,737	376	64,361	387	376	4,786 <sup>8</sup>	306	337	28,994	447	453	8,534†	244
318	299	I-T-E- Circuit Breaker ..	111,455	343	72,073	360	343	3,862	343	294	46,814	358	355	7,842	267
324	301	Collins Radio .....	107,569	369	71,298	365	369	1,082 <sup>9</sup>	466	423	24,550	461	460	8,900	235
366	487	Texas Inst. ....	91,954	480	53,792	429	480	6,001	279	384	25,641	459	471	6,500	312
395	...	Litton Industries .....	83,155	...	57,751	418	...	3,703	351	...	27,995	452	...	8,600†	242
397	397	Magnavox .....	82,592	446	48,360	451	446	2,623	402	385	23,542	467	466	5,050	364
401	444	Daystrom .....	81,714	438	52,685	432	438	2,333	414	437	30,168	446	444	6,838	303
438	...	Siegler .....	72,955	...	39,900	479	...	1,216	462	...	18,000	482	...	4,000	412
454	...	Standard Coil Prod. ....	69,490	...	35,076	486	...	559	475	...	11,963	495	...	7,000	298
459	430	Mallory (P.R.) .....	68,287	403	55,448	423	403	2,873	390	406	32,206	437	425	5,432	350
487	...	Lear .....	63,627	...	37,923	481	...	1,608	447	...	13,610	492	...	4,847	371
489	455	Clevite .....	63,355	392	59,656	404	392	3,109	376	374	42,596	380	364	5,746†	340

<sup>1</sup> Does not include excise taxes. <sup>2</sup> Net sales, including service & rental revenues for companies that derive at least 50% of their revenue from manufacturing or mining, for fiscal years ending not later than Jan. 4, 1959. Sales of consolidated subsidiaries included; excise taxes collected by the manufacturer not included. <sup>3</sup> Total assets employed in business net of depreciation & depletion, but including govt. securities offset against tax liabilities. <sup>4</sup> Including special charges or credits; non-recurring items of a non-operating nature are footnoted when they are 10% of total profit or loss. Figures in parentheses are losses. <sup>5</sup> Capital & surplus (i.e., net worth). <sup>6</sup> Average employment for year unless followed by dagger (†), in which case year end. <sup>7</sup> Includes special credit of \$2,040,518. <sup>8</sup> Includes non-recurring loss of \$531,816. <sup>9</sup> Includes special credit of \$685,000. <sup>10</sup> Includes special credits of \$1,338,724.

## Finance

Record Magnavox sales of \$90 million for the fiscal year ended June 30, compared with \$82,592,113 for fiscal 1958, were predicted by pres. Frank Freimann last week.

Packard-Bell Electronics will be traded on the New York Stock Exchange beginning July 14. Symbol: PKB.

### Officers-&Directors stock transactions as reported to SEC for June:

Ampex. Charles A. Black bought 100, holds 185.  
 Arvin Industries. Harlan Foulke sold 244, holds 8445. Robert S. Schaeffer bought 750, holds 1938.  
 Audio Devices. C. J. LeBel sold 2050 privately, retains 77,414.  
 Joseph K. MacCammon sold 400, retains 18,431.  
 Avco. W. A. Mogensen exercised option to buy 15,000, holds 16,000.  
 James D. Shouse sold 2600, retains 11,980.  
 Beckman Instruments. G. J. Renne exercised option to buy 795, holds 795.  
 Clevite. A. L. W. Williams sold 20,060, retains 37,434 personally, 5423 as custodian.  
 Columbia Pictures. Ralph M. Cohn acquired 939 in satisfaction of obligation, holds 43,298 personally, 1891 in trust, 94,566 in Pico Corp. Charles Schwartz sold 8400 through Schwartz & Froehlich, retains 2042 in Schwartz & Froehlich, 94,566 in Pico Corp., none personally.  
 Corning Glass. Charles D. LaFollette sold 700, retains 11,020.  
 Thomas Waaland sold 1100, retains 2700.  
 Daystrom. Thomas Allinson bought 200, holds 800. Edward G. Williams sold 300, retains 1151. Lewis E. Minkel bought 100, holds 100.  
 Electronic Communications. Donald D. King bought 100, holds 200.  
 Emerson. Louis Abrams sold 4400 personally, 400 through trusts and 2392 more through Solomon & Mollie Abrams Foundation Inc., retains 44,914 personally, 690 in trusts, none in Solomon & Mollie Abrams Foundation Inc. Percy West acquired 100 pursuant to call, holds 206.  
 Gabriel. John H. Briggs sold 2000, retains 37,900. Robert T. Hood bought 1400, holds 1800. Frank M. White sold 23,000, retains none.  
 General Dynamics. Allen D. Marshall sold 3800, retains 10,250. Robert P. Meiklejohn sold 1200, retains 5115. Kenneth Stiles sold 300, retains 700.  
 GE. Robert L. Gibson acquired 2400 under bonus plan, holds 6317.  
 Gramer W. LaPierre bought 3390, holds 4955. Clarence H. Linder bought 2000, holds 12,150. William C. Wichman sold 745, holds 5226.  
 General Instrument. Abraham Blumenkrantz exercised option to buy 18,200, holds 56,200. Henry A. Mulcahy exercised option to buy 4400, holds 4528.  
 General Precision Equipment. George T. Link sold 2000, retains 3972. David Mason bought 100, holds 300. John C. Maxwell bought 500, holds 500.  
 General Telephone & Electronics. Leslie H. Warner exercised option to buy 500, holds 6000.  
 Globe-Union. Ralph W. Conway exercised option to buy 600, holds 2000. Harold M. Sauers exercised option to buy 100, holds 2574.  
 Hoffman Electronics. H. S. Hazeltine sold 100, retains 10.  
 IBM. McLain B. Smith exercised option to buy 130, holds 130.  
 ITT. John E. Gingrich sold 100, retains 5042.  
 Lear. K. Robert Hahn sold 300, retains 806.  
 Litton Industries. Alfred B. Connable sold 483, retains 7000.  
 P. R. Malloy. J. E. Cain sold 3000 through trusts and 500 more through Niac Co., retains 1020 in trusts, 80 in Niac Co., 22,491 personally. G. A. Godwin sold 500, retains 5130 personally, 1530 in trust.  
 Motorola. Charles E. Green sold 140, retains 2760.  
 NTA. H. I. Bucher exercised option to buy 250, exchanged 750 for National Theatres Inc. securities, retains none.  
 Philco. Henry F. Argento sold 5000, retains 727.  
 Raytheon. John H. Beedle sold 3000, retains 54. Carlo L. Calosi exercised option to buy 2000, holds 5150. William Gammell Jr. sold 3000, retains 10,070. Harold S. Geneen sold 16,546, retains 200. N. B. Krim sold 1000, retains 6450.  
 Siegler. Donald Royce sold 300, retains 8700.  
 Skiatron Electronics & TV. Marion Douras sold 1600, retains 20,000.  
 Standard Coil Products. Arthur Richenthal exercised option to buy 35,000, holds 35,100. Glen E. Swanson sold 10,200 through Swanson Foundation, retains 18,500 in Swanson Foundation, none personally.  
 TelePrompTer. Milton Hender bought 500, holds 500.  
 Trans Lux. Harry Brandt bought & sold 4600 personally, bought 200 through H. Brandt Foundation and 5300 more through G. Brandt Foundation, sold 3400 through H. Brandt Foundation, 200 through Bilpam Corp. and 1000 more through Marathon Pictures, retains 168,500 personally. 17,930 in H. Brandt Foundation, 13,550 in G. Brandt Foundation none in Bilpam Corp., none in Marathon Pictures, 2000 in Brapick Corp., 17,600 for wife.  
 Tung-Sol. H. Merle Darling exercised option to buy 500, holds 4005. Louis Rieben exercised option to buy 1000, holds 12,774.  
 20th Century-Fox. J. B. Codd bought 1250, holds 1850. Donald A. Henderson exercised option to buy 2000, holds 2610. Francis T. Kelly exercised option to buy 1250, holds 1251. C. Elwood McCartney exercised option to buy 1250, holds 1250. Joseph M. Moskowitz exercised option to buy 10,000, holds 10,600.  
 United Artists. Herbert L. Golden bought 238, holds 238.  
 Walt Disney Productions. Donn B. Tatum sold 150, retains 7.  
 Warner Bros. Benjamin Kalmenson bought 10,000, holds 10,000.  
 Jack L. Warner sold 10,000 at \$26.12 per share pursuant to option, retains 227,431.  
 Westinghouse. John W. Craig bought 1000, holds 1000 personally, 100 in trust. Tomlinson Fort exercised option to buy 500, holds 1529.  
 John J. McCloy bought 185 as trustee, holds 185 as trustee, 100 personally. L. W. McLeod exercised option to buy 300, holds 1375. John E. Payne bought 675, holds 1589. Gwilym A. Price sold 116, retains 6000.  
 J. O. Rae exercised option to buy 475, holds 1136. Tom Turner exercised option to buy 340, holds 2665.  
 Zenith. Frank A. Miller sold 1000, retains 2000. Hugh Robertson sold 900, retains 9528.

Television Shares Management Corp., Chicago management service company & sales agent for Television-Electronics Fund (Vol. 15:23), has asked the SEC (File 2-15312) to register 206,500 outstanding common stock shares for public sale. The offering price and terms of underwriting by a group headed by White, Weld & Co. will be supplied in an amended SEC statement. Management officials own 415,000 (39.1%) of 1,060,000 outstanding shares. Members of their immediate families own 55,000 additional shares. The SEC prospectus lists 21 selling stockholders, largest blocks being sold by Townsend Investment Co. (55,000 shares), Irving Florsheim (25,000), and pres. Wm. H. Cooley, Elizabeth W. Hinman (as executor of Sturtevant Hinman), Mervyn LeRoy & Robert D. Michels (20,000 each).

Ampex will acquire Orr Industries Inc. (formerly ORRadio Industries), Opelika, Ala. tape manufacturer, under the terms of an agreement by the boards of both companies. Ampex has owned about 25% of Orr's stock for 2 years. Subject to stockholders' approval, each Orr shareholder will receive one share of Ampex common stock for each 2.2 shares of Orr—the total Ampex stock involved having a value of about \$16 million on the basis of current market prices. Ampex will set aside 209,000 shares for the transaction. Orr Industries pres. John Herbert Orr will join the Ampex management staff.

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Desilu Productions reports sharply increased profits for the fiscal year ended May 2. The firm's first annual report since stock was sold to the public last year also reports a 53% increase in Desilu ownership of half-hour TV properties. The backlog of shows available for re-runs is expected to increase 69% in the current fiscal year. For year ended May 2:

	1959	1958
Gross income .....	\$20,470,361	\$15,094,806
Net income .....	249,566	92,336
Earned per share .....	22¢	10¢
Shares outstanding .....	1,150,000	900,000

Desilu Productions will introduce for shareholder approval at the July 21 annual meeting a 45,000-share restricted stock option plan, under which key employees would be granted options to purchase up to 3000 of the shares at a price not less than 95% of the market price.

Republic Pictures' profits & earnings declined in the 26 weeks ended April 25, compared with the comparable 1958 period:

	1959	1958
Net income .....	\$ 532,137	\$ 1,126,238
Earned per share .....	17¢	46¢
Shares outstanding .....	2,004,190	2,004,190

Taft Bestg. Co. common stock (483,322 shares) was placed on the market last week at \$15 per share—a total of nearly \$7,250,000. The offering (Vol. 15:24, 27) is being underwritten by a group headed by Harriman Ripley & Co.

### COMMON STOCK QUOTATIONS

Week Ending Friday, July 10, 1959

Electronics TV-Radio-Appliances Amusements

#### NEW YORK STOCK EXCHANGE

1959					1959				
High	Low	Stock	Close	Wk. Chg.	High	Low	Stock	Close	Wk. Chg.
29 1/2	17 1/8	Admiral	23	-17 1/8	488	385 1/2	IBM	448 1/2	+1 1/2
39 3/4	29 1/8	AmBosch	34	+ 1/8	45 1/2	28	ITT	38 1/4	-2
29 3/4	20 1/2	AB-PT	28 1/2	+1 1/2	50 1/2	36 3/8	I-T-E	48 1/4	+ 3/4
84 1/2	61 1/4	Amplex	78 1/4	-1/2	124 1/2	72 1/2	Litton	117 1/4	+1 3/8
89	75 1/2	AT&T	81 1/2	+ 1/4	37	27 1/4	Loew's	30 1/8	+1 1/2
46 3/4	32 1/4	Amph-Borg	38 5/8	-7/8	70	48 1/4	Menvox	59	+1 1/4
36 3/4	23 1/2	Arvin	25 3/8	- 1/8	138	111 1/2	MplsH'l	139	+5 1/4
17 3/4	10 1/2	Avco	15 3/8	- 1/4	130	57 1/2	Motorola	111 1/4	-5 1/4
74 3/4	36 1/4	BeckInst	58 1/2	-2 3/4	12 1/4	9 7/8	NatThe	12 1/4	+1 1/4
89	66	Bendix	81	+3 1/4	50 7/8	44	Paramnt	48 1/4	+ 3/4
38 3/8	24 3/4	Clevite	36 1/8	-2 1/8	36 3/4	21	Philco	29 3/8	-1 3/8
48 1/4	35	CBS	46 1/2	- 1/2	71	43 1/8	RCA	69 3/8	- 1/2
24 1/2	17	Col Pict	18 1/2	- 1/4	73 3/8	51 1/4	Raythn	55 1/4	-2 1/8
42 3/4	33 3/4	ConsElec	38 3/8	+1 1/8	11 3/8	8 1/2	RepPic	10 7/8	+ 1/4
50 1/2	33 1/2	CnsElInd	47 1/8	-1 1/4	45 1/2	26 1/2	Siegler	32 1/2	-1 1/2
30 1/2	20 3/4	Cor-Dub	26 3/8	-1 3/8	9 1/2	6 1/4	Sparton	8 3/8	+ 7/8
139 3/4	89 3/4	Corning	139 1/2	+ 3/4	28 1/4	21 1/4	SpryRd	25 3/8	-1 1/8
49 3/4	34	Daystrm	41 1/4	- 1/4	23 1/4	14 3/8	StdCoil	18 3/8	-1 1/8
21 1/4	17 1/4	Decca	20 3/4	+2 3/8	34 3/4	18	StanWar	33 3/4	+1 1/4
59 1/2	41 1/4	Disney	42 3/4	-2 3/4	57 1/2	42 1/2	StewWrn	56 1/4	+3 1/2
69 3/4	48 1/4	EmerElec	66 3/4	+2 5/8	33 1/2	24 1/2	Storer	31 1/4	- 1/4
26 3/4	13 3/4	EmerRad	19 3/8	-1 1/8	13 3/8	9	Telautog	11	- 1/8
33	12 3/4	Gabriel	22 3/8	-2	153 3/4	61 1/4	TexInst	141 1/8	-7 3/8
42 1/2	34 1/4	GenBrze	39 3/8	+7/8	70 1/4	56 1/4	TmpR-W	67 1/4	+ 3/4
66 1/2	53 1/2	Gen Dyn	54 1/4	-1 1/8	54 1/4	34 1/8	Trns-Sol	45 3/4	-1 3/8
84 3/4	74 3/4	GE	83	+2 1/4	43 1/2	34 3/4	20th-Fox	38 1/2	+2 1/2
38 3/8	16 1/2	Gen Inst	29 1/4	-2 3/4	32 1/4	24 3/8	UAA	31 3/4	+ 1/2
45 1/2	31 1/2	GPE	41 1/4	+ 1/4	47 3/4	24 3/4	WarBros	43 1/2	+1 1/4
73 3/4	60	Gen Tel	72 1/2	+2 3/8	98 3/4	70 1/2	WstgHse	97 1/2	+2 1/2
83	44 1/4	Gen Tire	71 1/8	-4 1/4	136 3/4	92 1/2	Zenith	119	-6 3/4
37	28 3/4	Hoffman	32 3/8	-2 3/8					

#### AMERICAN STOCK EXCHANGE

1959					1959				
High	Low	Stock	Close	Wk. Chg.	High	Low	Stock	Close	Wk. Chg.
5 3/8	3 3/4	Allied Art	4 7/8	- 1/8	22 3/4	7	IntRes	18 3/4	- 3/4
65 3/4	36 1/4	Allied Con	49 3/8	-5 3/8	19 1/4	9 3/8	Lear	15 3/4	+1 1/2
19 3/4	11 3/4	AmElec	15 3/4	- 3/8	2 3/4	1 3/8	MntzTV	2 1/4	- 1/8
26 1/2	15 1/4	AudioDev	20 1/2	-1 3/8	12	5 1/2	Muter	9 3/8	- 1/8
22 3/4	10 3/4	Belock	18 1/2	+ 3/4	4 3/4	2 3/8	NatUnon	3 1/2	- 1/4
10 1/4	4	Clostat	7 3/4	- 1/2	48 3/4	23 1/2	PhilpsEl	43 3/4	+ 3/8
9 3/8	6	DuMont	7 3/8	-3 3/8	43 1/2	14 3/8	ServoCp	32	+ 1/2
12 3/4	4 3/4	Dynn	9 3/8	- 3/8	18 1/4	9	Servome	13 1/4	- 1/4
44 3/4	28 3/8	ElecCom	40 1/2	- 3/4	10 3/4	5 3/8	Skiastron	6 3/8	- 3/8
2 1/4	1	†El-Tron	1 1/4	+ 1/4	17 3/4	9 1/2	Sonotne	13 1/2	- 5/8
186 3/4	50 3/4	Fairch	200	+21	9 3/8	6 3/4	Teleclr	7 3/8	- 1/4
88 1/4	49	GenTrns	76	-3 1/2	22 1/2	9	Techrmp	16 3/4	-1
27 3/4	20 1/4	GlobeUn	24 1/2	- 3/8	7 3/4	4 3/8	TeleInd	4 7/8	- 1/4
3	1 3/8	GldFlms	2 3/4	+ 1/2	14 3/4	7	TrnsLux	12 3/4	- 5/8
33	30 1/4	Hazlne	30 3/4	-2 1/4	19 3/4	6 3/4	Vctreen	15 3/8	+ 1/4
12 3/4	5 3/8	HrdRad	8 3/8	- 7/8					

#### OVER THE COUNTER AND OTHER EXCHANGES

The following quotations, obtained from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Advance Ind	2 5/8	3	Meredith Pub	36 1/2	39 3/4
Aerovox	9 3/4	10 3/8	Metropolitan Ecstg	16 3/8	18 1/2
AMP Inc.	35	37 3/4	Microwave Associates	19 3/4	21 3/4
Baird Atomic	14 1/2	16 1/2	National Co.	26 1/2	28 1/2
British Ind	32 1/2	35 1/2	Official Films	1-3/16	1 3/8
Capital Cities TV	9 3/8	10 1/2	Orr Ind.	34	36 3/4
Cinerama Prod.	2	3 3/8	Pacific Mercury TV	11 3/8	13
Collins Radio	36 1/4	39	Packard-Bell	45	46 1/2
Cook Elec	43 1/2	47	Panellit	5	6
Craig Systems	11	11 3/4	Perkin-Elmer	53 1/2	57
Eitel-McCullough	43 1/2	46 1/2	Philips Lamp	84 1/4	87 1/2
Elec Assoc	40 1/2	44 1/2	Reeves Soundcraft	9 3/4	10 3/4
Erle Resistor	9 3/8	10 1/2	Sprague Electric	54 1/2	58
Glannini, G.M.	30 1/2	33	Tele-Broadcasters	1 1/2	1 1/2
Granco Products	4 1/8	4 5/8	Telechrome	18	20 3/4
Gross Telecasting	24	25 3/4	Telecomputing	10 3/8	11 3/8
Hewlett-Packard	41 3/4	44 3/4	Time Inc.	65 3/4	69
Hycon	3 1/2	3 3/4	Topp Ind.	14	15
Jerrold	5 1/2	6 1/2	Tracerlab	9 3/8	10 3/8
Leeds & Northrup	33 1/2	35 3/4	United Artists	9 3/4	10 3/8
Ling Altec	25 1/4	26 1/4	Varian Associates	33	35 3/4
Machlett Labs	27 1/4	29 1/2	Wells-Gardner	16 1/2	17 3/4
Magna Theater	2 1/4	2 3/4	Wometco Ent.	11 3/4	12
Maxson (W.L.)	11 3/8	12 3/8			

Where a stock dividend or split amounting to more than 25% has been paid, the year's high-low range is shown for the new stock only. † In bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. — No change during week.

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JULY 20, 1959

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

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**SUMMARY-INDEX OF WEEK'S NEWS****Manufacturing & Distribution**

**HAPPY TV DAYS HERE AGAIN.** as dealers' purchases of sets establish all-time record for June. Preliminary figures show June retail spurt, too (pp. 1 & 20).

**HOUSE INVESTIGATION LISTS** 245 ex-military officers who are employed by a dozen electronics firms, among the 100 biggest defense contractors (p. 20).

**Stations**

**TV-RADIO PROFIT MARGINS DROPPED** in '58, NAB financial survey shows, indicating median TV station revenue of \$934,300, before-tax profit of \$135,500 (p. 2).

**FOREIGN COMPETITION IN STUDIO GEAR** starts as Ampex begins U.S. distribution of new Marconi camera. Other items due. Ampex gets \$2.5 million ETV recorder order (p. 5).

**IMAGE PLANS MAKE PROGRESS** as NAB's pro tem committee gets \$195,000 in pledges from networks, sets Oct. 1 as target date for full operation (p. 10). Other station stories (p. 8).

**RUNDOWN ON TvB** shows industry-supported organization has grown from fledgling group in 1955 to an international bureau with over 250 members; new TvB projects reported (p. 11).

**Congress**

**EQUAL-TIME REFORM GETS SENATE GO-AHEAD** as Magnuson committee approves Sec. 315 newscast exemptions. Stations cotton to idea of editorializing on subject (pp. 2, 3, 8).

**OVERSIGHT "PROGRESS"**—and lack of it—in FCC probes reported by House Commerce Committee's Harris (D-Ark). He plans agency advisory group (p. 6).

**FCC**

**LEE'S SOLITARY ALL-UHF STRUGGLE.** He submits arguments to Senate Commerce Committee while colleagues move to add vhf to Fresno, Columbus, Ga., San Francisco, etc. (pp. 3 & 6).

**BOSTON CH. 5 SET-ASIDE** urged by FCC counsel, alleging WHDH-TV won grant following "deliberate efforts to influence" ex-chairman McConnaughey (p. 4).

**Auxiliary Services**

**CATV-BOOSTER HEARING ENDS;** new laws in work, as 16 CATV witnesses present case for radio-type controls, stringent regulation of vhf boosters (pp. 4 & 12).

**Networks**

**YARDSTICK ON '58-'59 SEASON** shows ABC-TV narrowing the gap in average nighttime ratings, but CBS-TV still on top in audience size & program winners (p. 7).

**Advertising**

**DETROIT PLUS TV EQUALS SALES** is the message of NBC-TV's latest study of auto buying. Shoppers are interested in America's new small cars, and dealers think TV will sell them (p. 16).

**Film & Tape**

**TREND OF FILM IS ESCAPISM**—that's the overriding consideration in most telefilms coming up next season (p. 18).

**Other Departments**

**EDUCATIONAL TV** (p. 13). **FOREIGN** (p. 13). **PROGRAMMING** (p. 14). **FINANCE** (p. 23).

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**GETTING EXCITED ABOUT TV:** Public is getting excited about TV again—excited enough to start what is beginning to look like a boom in TV set sales, despite such new competition for money & leisure time as stereo, the boating craze, etc.

TV had been sole major product not sharing in consumer goods buying upsurge which began late last year and has shown no signs of tapering off. Preliminary retail sales figures for June, however, indicate TV is at last coming out of its slump, the public buying some 360,000 sets—110,000 more than in June 1958, which, admittedly, was a pretty awful TV sales month.

Better news yet is dealers' confidence in consumers' mood to buy more TVs. Unofficial figures indicate that dealers bought more sets last month than in any previous June in TV's history—2¼ times as many as in June 1958.

TV set is, after all, only an instrument for receiving programs—and manufacturers have gone all-out to make it easier to receive programs better with the innovation-laden new 1960 sets just beginning to appear on the market. Other side of coin is the appeal of the programs themselves—caliber of available programming definitely does influence set purchases. TV set makers, through EIA, are expected soon to announce details of promotion campaign to maintain set-buying momentum by calling public's attention to exciting attractions (particularly the specials) in networks' 1959-60 program season (Vol. 15:21). More information about upsurge in TV set sales will be found on p. 19.

**TV-RADIO PROFIT MARGINS DROPPED IN '58:** The typical TV station was slightly less profitable in 1958 than in 1957, although its gross revenues increased 1%. Its total expenses went up 2%, resulting in a 4% decline in its margin of profit. In radio, the typical station's profits went down 27.4% while gross revenues dropped 3.5%.

These figures are from NAB's annual survey of station finances, based on returns from 231 TV stations & 947 radio stations which were on air for full year of 1958. Financial summary was mailed to NAB members last week. The data isn't compatible with recently released FCC financial figures (Vol. 15:25), since the latter indicate industry-wide totals (TV profits up 7.4%) while NAB breaks down its figures to reflect "typical" (median) stations in various situations—for use as financial yardsticks by its members.

For TV stations, median profit margin was 14.5% of total revenue (before taxes). NAB's typical TV station took in \$1,054,500 in gross time sales, its actual total broadcast revenue being \$934,300 after agency & rep commissions and payments to networks. Total expenses were \$798,800 and before-tax profit \$135,500.

Of typical TV station's revenue, 45% came from national & regional advertisers, 28% from local advertisers, 27% from networks—local revenue increasing slightly since 1957, with national & regional dropping. As to expenses, programming represented 38%, general & administrative 33%, technical 17%, selling 12%. Wage & salary bill increased about 10% from 1957, comprising 46% of total expenses. Typical station spent \$100,000 for film, nearly 12% of total.

Revenues of typical TV stations varied from \$296,000 in markets of less than 25,000 population to \$3.3 million in markets of 1 million or greater. In profits, typical station whose total revenues were less than \$300,000 operated at a loss of \$14,000, while typical station in most affluent group (revenue \$2 million or more) reported about \$1 million profit before taxes.

Radio financial report shows typical station took in \$96,200, spent \$89,900, with pre-tax profit of \$6300. Sales dollar was derived about 85% from local advertisers, 15% national & regional, less than 1% network. Of expenses, 37% was general & administrative, 33% programming, 18% selling, 12% technical.

Median TV profit margin was 15.1% in 1957, 15.9% in 1956, 9.6% in 1955—as opposed to 14.5% last year. In radio, last year's 6.6% was a decline from 9.1% in 1957, 10.3% in 1956 and 10.8% in 1955.

For 1959, TV stations surveyed predicted typical station revenue would be \$1,001,600, increase of 7.2% over last year's \$934,300. Radio broadcasters anticipate typical-station revenue of \$98,600, about 2.5% over 1958. Detailed reports were prepared by Charles H. Tower, mgr. of NAB's broadcast personnel & economics department.

**CHANCES IMPROVE FOR SEC. 315 CORRECTION:** Full Senate Commerce Committee has voted unanimously to exempt newscasts from Sec. 315 provisions, and House Commerce Committee scheduled July 20 session for vote on similar recommendations by its communications subcommittee.

It's good bet now that bills to nullify FCC's Lar Daly newscast ruling will reach floors before adjournment despite fact that it's late in session—and there are long legislative steps between committee reports & votes on Senate & House floors. If they reach floors, they're almost sure to go through, backed as they are by Chairmen Magnuson (D-Wash.) & Harris (D-Ark.) of Senate & House committees.

Senate committee wrote its own equal-time bill, tossing out 4 proposed amendments on which its communications subcommittee had held 5-day hearings (Vol. 15:25). Picking up language from rejected measures (S-1858, 1585, 1604 & 1929) by Sens. Hartke (D-Ind.), Thurmond (D-S.C.), Allott (R-Colo.) & Holland (D-Fla.), it goes further than stripped-down Harris bill (HR-7985) approved by House committee (Vol. 15:28). Senate version tacks this language to Sec. 315:

"Appearance by a legally qualified candidate on any newscast, news interview, news documentary, on-the-spot coverage of news events or panel discussion, shall not be deemed to be use of a broadcasting station within the meaning of this subsection." Revised Harris bill limits Sec. 315 exemptions to newscasts, news interviews, and "on-the-spot coverage of newsworthy events."

Reexamination by Congress of broadcasters' practices under revised Sec. 315—"at or before the end of the 3-year period" following enactment—also is provided by Senate bill to see whether amendment is "effective & practicable." FCC would be instructed to file annual reports on how equal-time is working out.

Still far away is repeal of Sec. 315—long at top of NAB's legislative agenda. Senate & House amendments say nothing about such troublesome equal-time questions as minority party qualifications.

Nor do they exclude broadcast debates from Sec. 315 requirements—exemption which was sought persistently in hearings by such industry spokesmen as CBS Inc. pres. Frank Stanton. Also missing from both bills is specific amendment language proposed by FCC Comr. Ford to include "special events such as political conventions" in exemptions (Vol. 15:26)—although "on-the-spot coverage" can apply to conventions.

But relief from Lar Daly doctrine itself at least seems to be in sight for broadcasters. Meanwhile CBS demonstrated how FCC's newscast ruling can work to keep news personalities off air now. Network cancelled scheduled appearance by Sen. Humphrey (D-Minn.) on July 19 "Face the Nation." Network explained that its lawyers think Humphrey is candidate for 1960 Democratic Presidential nomination "within the meaning" of Sec. 315. Therefore, said CBS, it wouldn't run risk of being forced to put "obscure or now unknown aspirants" for Presidency on "Face the Nation" too. Humphrey went on NBC-TV's "Today" July 17 instead, pointed out he himself had not yet declared his candidacy. If CBS' equal-time interpretation is accepted generally, he said, "it means literally throwing off the air every person who is mentioned for public office." Humphrey was so miffed by incident that it may have provided the extra impetus needed to speed Sec. 315 revision. Humphrey complained to Senate Majority Leader Johnson (D-Tex.), who said he'd try to bring Magnuson bill on floor this week.

**Equal-Time Revision Needs a Push—An Editorial:** We seem to have struck a spark last week in our article calling attention to the telecasting industry's failure to use its own facilities in an all-out push for relief from the burdens of political equal-time rules (Vol. 15:28).

We know of at least 27 stations which have indicated great interest in editorializing on the subject, and several which had previously actually done so have reported in: WDSU-TV New Orleans, WTVJ Miami, KOOL-TV Phoenix, KOLD-TV Tucson. (For text of WDSU-TV's editorial, see p. 8; it was prepared under supervision of exec. v.p. Robert D. Swezey, who is also head of NAB's freedom of information committee.) If more of you have editorialized on the issue or plan to do so, please let us know; we're eager to report it. Networks are considering the idea but haven't yet indicated intentions of going ahead.

With chances of relief greatly enhanced by action of Senate Commerce Committee last week, time is exceptionally ripe for a major editorial pitch by stations—plus direct pleas to senators & congressmen—in this most legitimate campaign.

**LEE'S SOLITARY ALL-UHF STRUGGLE:** Even as FCC Comr. Robert E. Lee continued his lonely but spirited battle to get all TV moved to uhf, submitting his arguments to Senate Commerce Committee last week, his colleagues moved in the opposite direction to shift uhf stations to vhf in several significant markets—Fresno, Columbus Ga., San Francisco, Sacramento, Montgomery, Birmingham (for details, see list of actions on p. 6).

Lee takes extremely dim view of his colleagues' interim & long range vhf plans, as expressed in their statement to Commerce Committee (Vol. 15: 17). The interim concept—dropping in vhf assignments at spacings shorter than now permitted by the rules—"would spell the immediate end of uhf," he said. "It would," he asserted, "perpetuate a substandard 12-channel system with perhaps more stations & less coverage. I would prefer the status quo."

Lee has no objections to negotiating with the military for an additional 13 to 38 vhf channels, but he said, it offers "little hope of improving the situation within this generation." Giving his own timetable, he estimated that the addition of new channels would take 20 years or more to implement.

Uhf has never been given a fair chance, Lee insisted. He went into considerable technical detail, relying on staff-engineering calculations, to conclude that uhf can serve the nation as well as or better than vhf. Furthermore, he said, the 70 uhf channels provide 3500 stations, compared with 600 for 12 vhf, 1250 for 25 vhf, 2500 for 50 vhf—and he does not see a ghost of a chance of ever getting 50 vhf. N.Y.C. could have 35 uhf stations, he said.

Adequate uhf service can be provided, Lee stated, through use of taller towers, more power, better receivers—he places great hope in parametric amplifiers (Vol. 15:9), multicasting, circular polarization.

Lee is plainly disgusted with TASO, claiming that the TV Allocations Study Organization completely ignored its assignment from FCC: "(1) To assemble the facts relating to the feasibility of transferring the operating of TV broadcasting to the uhf spectrum space. (2) If (1) is not feasible, to assemble the facts which support the best available alternatives. (3) To advise the Commission regarding the technical principles which should be applied to TV channel allocations."

But Lee is alone—at this stage of the game, anyway. However, his colleagues have yet to produce results with their interim & long-range concepts. Last week, the Commission looked at a staff study showing what might be done by cutting spacings to 150 miles, and we understand that the additional station assignments possible are disappointingly few. Furthermore, July 15 has passed and FCC & Office of Civil & Defense Mobilization (OCDM) have been delayed in producing their promised status report on more-vhf negotiations. Lee, who did some negotiating a couple of years ago, is skeptical. "I submit," he said "that the only definite answer that can be expected within the next few months is 'no.' I believe that it would take a minimum of 18 to 24 months for some kind of affirmative offer from the military."

More Commissioners may shift to Lee's side some day—but they certainly are not ready to now—and his prospects of persuading a majority among the present Commissioners are mighty remote.

**BOSTON CH. 5 SET-ASIDE URGED BY FCC COUNSEL:** One of FCC's big "influence" cases—Boston Ch. 5 grant to Herald-Traveler's WHDH-TV—reached another important stage last week when FCC's legal office recommended the 1957 award be revoked.

Charging "deliberate efforts to influence" Commission, hard-hitting report by FCC associate gen. counsel Edgar H. Holtz & 3 colleagues told special examiner Judge Horace Stern that: (1) Grant should be withdrawn and Herald-Traveler disqualified from seeking it again. (2) Loser Mass. Bay Telecasters Inc. also should be excluded from further consideration. (3) Ex-FCC Comr. George C. McConnaughey should have disqualified himself because he submitted to "off-the-record approaches" by Herald-Traveler & Mass. Bay.

"Improper means" to win Ch. 5 also were used by Herald-Traveler publisher Robert B. Choate & Mass. Bay v.p. Forrester A. Clark in "soliciting the intercession of a large number of legislative & executive officials," Holtz told Stern, who conducted Feb.-March hearings in case (Vol. 15:8-10,11). It was remanded to FCC by Appeals Court following 1958 "influence" hearings by House legislative oversight subcommittee.

Additional criticism was leveled by FCC's lawyers at Boston Globe, which didn't participate in comparative case but later sought to have it reopened. Globe representatives made improper off-record approaches to McConnaughey & Comrs. Doerfer, Bartley, Lee & Hyde and ex-Comr. Richard A. Mack, legal brief said. But it added that under circumstances, this intervention didn't disqualify FCC members—or prejudice legal rights of parties, with possible exception of loser Du Mont Labs.

If Examiner Stern disagrees with FCC counsel's "proposed findings of fact & conclusions," he was urged by Holtz at least to recommend that "misconduct" of parties be considered against them in any future reconsideration of Ch. 5 grant. Judge Stern has set July 24 as deadline for all briefs. His decision will follow.

FCC proceedings in 3 other "influence" cases involving ex-Comr. Mack—Miami Ch. 10 & 7 and Orlando Ch. 9—were held up meanwhile, pending decision by Justice Dept. on his retrial on Miami Ch. 10 conspiracy charges (Vol. 15:28). Judge Burnita S. Matthews in Washington's U.S. District Court last week rejected defense motions for acquittal of Mack & co-defendant Thurman A. Whiteside following 11-1 jury disagreement. But Justice Dept. set no date for new trial.

In still another "influence" case—Springfield, Ill.-St. Louis shift of Ch. 2 (Vol. 15:19-20)—Commission is able to go ahead. It doesn't involve Mack directly. But FCC hasn't yet designated special hearing examiner for rehearing case, as ordered by Court of Appeals.

**CATV-BOOSTER HEARING ENDS; NEW LAWS IN WORKS:** Community antenna operators got their licks in during Sen. Pastore's long CATV-booster hearings, which ended last week, and it still looks as if legislation will come eventually, putting both vhf boosters and CATV under FCC's wing. But it also still looks very dubious for new laws this session of Congress.

CATV's 16 witnesses did a thorough job of presenting their position—that they want FCC regulation of precisely the type applied to broadcasters, but nothing else, and that vhf boosters should be very carefully controlled if authorized at all. (For excerpts from typical CATV statements, see p. 12.)

CATV operators were heartened by the repeated observations of Senators Pastore (D-R.I.), McGee (D-Wyo.) and Monroney (D-Okla.) that they don't want CATV "at the mercy" of stations. They were referring to proposed legislation which would require CATV to get stations' permission to relay their signals. The senators want FCC to control the "permission" factor. Pastore, for example, foresaw stations charging "exorbitant" rates for permission, with CATV operators passing cost on to subscribers.

NAB pres. Harold Fellows stuck doggedly to position that stations have property rights in their signals

and that their permission should be obtained. He said he expected that permission would generally be forthcoming. However, answering McGee, he said he couldn't agree that stations should waive right to charge fees for use of their signals.

Ex-Sen. McFarland (D-Ariz.) would also leave the "permission" question up to FCC. As a station operator (KTVK Phoenix), he noted that many of his contracts with program suppliers would prohibit him from giving permission. He also endorsed licensing of vhf boosters under carefully controlled conditions.

Sen. Aiken (R-Vt.), in a pro-CATV presentation, asserted that his area's telecasters made no complaint about CATV competition and that 45,900 viewers in Vermont depend on CATV.

FCC Chairman Doerfer was given a rough time because he said he couldn't commit his colleagues to the point of guaranteeing they'd legalize vhf boosters. He said that he hoped and believed they would; so did Comr. Craven. This incensed Pastore & McGee, but Doerfer stuck to his guns. The Senators also were miffed because Doerfer displayed his traditional reluctance to regulate the economics of TV to the point of deciding whether a community should be served by a station or CATV. "You get into a common-carrier concept there," he said, adding that he didn't believe that was Congress' intention. "We concluded it's better for the public to choose what it wants." But he also showed sympathy for "local service" by stations. Pastore seemed nonplussed, said: "Maybe we ought to review the whole Communications Act."

Pastore was also dissatisfied with Doerfer's answer to his question about tests FCC has conducted on booster units, when Doerfer noted "the lab isn't equipped to do everything." Said Pastore: "You mean you've been doing something that is nothing?" FCC chief engineer Ed Allen came forth finally with the answer many in industry have sought:

"The equipment we tested, Mid-America and Benco, is not representative of equipment in the field. They're the best, but they still don't have all the necessary characteristics. Too wide a band. They should go off when the main station goes off. Frequency stability is not adequate. However, we feel that the cost estimates are reasonable and that the deficiencies can be overcome."

Doerfer also brought up TV allocations. "We have an allocations problem, too," he said. "Will the boosters interfere with each other and with regular stations?"

On CATV, Doerfer reiterated the Commission's conclusions that the only thing it wants is a law requiring CATV to get station permission and to carry a local station's signal. He insisted that FCC doesn't go for the Monroney bill (S-2303) which is designed to put CATV under same controls which apply to stations.

**FOREIGN COMPETITION IN STUDIO GEAR:** If you think foreign electronics competition is limited to consumer goods field (Vol. 15:26) or to overseas markets, take a look at this week's development in TV station-equipment field. British Marconi, hot competitor of U.S. station-equipment manufacturers in foreign markets, now is making strong pitch in U.S. market. Its distributor is fast-growing Ampex Corp.

First TV station product to be exported to U.S. will be Marconi's hot new Mark IV camera with 4½-in. image orthicon tube. (U.S. cameras use 3-in. tube). This is camera about which CBS-TV engineering & affiliate relations v.p. William B. Lodge expressed so much enthusiasm at Chicago affiliates' convention last March (Vol. 15:12). CBS has had its first Mark IV camera for 10 days—"and if it looks as good as I think it does," Lodge told us, "we'll equip one studio with them and then see where we go from there."

New camera's claimed advantages are better signal-to-noise ratio, shorter warmup period, international standards switch (valuable for syndication taping uses), remote control of all electronic functions. Ampex, now quoting Sept. deliveries, says camera will be priced "competitively" with U.S.-made models. Ampex will also handle tubes, parts & associated equipment for the camera.

Ampex-Marconi alliance may well extend into other equipment. Deal makes Ampex "sole authorized distributor in the U.S. of Marconi TV cameras, TV equipment and broadcasting equipment." Marconi gear will be handled by Ampex professional products div., which is in charge of Videotape Recorder program. (Any CBS camera purchases will be made direct from England because network's negotiations with Marconi pre-date the distribution agreement.)

Another feather in cap of Ampex—and a milestone for educational TV—was announcement last week that National Educational TV & Radio Center (NET) had placed \$2.5 million order for 43 Videotape Recorders to equip virtually all U.S. educational stations and NET's program center in Ann Arbor. Ford Foundation grant (Vol. 15:26) made possible the purchase, which will lead to world's first TV tape network. Educational purchase comprises Ampex's largest single Videotape Recorder order—by far.

## Congress

**OVERSIGHT 'PROGRESS':** Plans were announced last week by Chairman Harris (D-Ark.) for formation of a new advisory council on administrative problems, representing staffs of the "Big 6" federal regulatory agencies and his House Commerce legislative oversight subcommittee.

The announcement came at the end of a long "progress report" to the House by Harris on what his oversight unit has done this year (not much in public, he acknowledged) to follow up last year's sensation-packed FCC hearings. Chaired by subcommittee counsel Robert W. Lishman, the advisory council would devote itself to improving "operational efficiency" of FCC & other agencies.

Harris promised no new headline FCC disclosures. Instead, he told the House the only hearings he has in mind now—to be held "in the near future"—will be on his general agency reform bill (HR-4800), introduced 5 months ago (Vol. 15:8), and on an American Bar Assn. measure (HR-6774) revising administrative procedures. Competing with Harris in the area will be a Senate Judiciary subcommittee headed by Sen. Carroll (D-Colo.), who opens hearings on agency practices this week (Vol. 15:28).

"The [oversight] subcommittee is making investigations & studies in most delicate & controversial areas," Harris said after ticking off FCC cases which were explored or touched in 1958 (Vol. 15:2 et seq.). But: "None of these investigations of these cases, however, will be presented at public hearings until each has been carefully documented and the subcommittee has determined that the public interest requires such presentation."

An outgrowth of last month's oversight subcommittee panel hearings on agency procedural problems (Vol. 15:25-26), the idea of an advisory council has been received "wholeheartedly & enthusiastically" by FCC Chairman Doerfer & heads of the other "Big 6" bodies—CAB, FPC, FTC, ICC, SEC—according to Harris.

Meanwhile, Sen. Carroll said that his Judiciary administrative practice & procedure subcommittee would confine itself in initial July 21-23 hearings to 2 bills—a standards-of-conduct code (S-2374), proposed by the ABA and sponsored by Carroll himself and a bill (S-600) by Sen. Hennings (D-Mo.) & Wiley (R-Wis.) to set up an office of administrative practice.

But Carroll pointed out that scope of his 3-man subcommittee's jurisdiction "is a gigantic one, reaching into the adjudication, rule-making & licensing functions of the numerous agencies which have been established by the Congress." He has a 5-member subcommittee staff for his investigations—chief counsel Joseph P. McDonald, minority counsel Cornelius Kennedy, staff investigator Carlile Bolton-Smith and 2 office secretaries.

ABA spokesmen were expected to be lead-off witnesses in the Carroll hearings.

In his lengthy "progress report" to the House on the Oversight subcommittee, Harris noted that there's been "great speculation" as to what it would do to carry on this year. "Thus far, due to the limitations of time & of the size of the staff, the subcommittee has had to confine the major part of its activities to certain problems in the so-called 'Big 6' independent regulatory agencies," he said.

Harris assured the House, however, that FCC scandals & problems uncovered in last year's hearings are still being "studied." "The extent to which procedures designed to promote equitable results are being abused . . . will receive further study by the subcommittee," Harris said.

## The FCC

**UHF-TO-VHF DEINTERMIXTURE:** Several long-pending allocations proposals matured last week (see p. 3), and FCC came up with final or near-final answers as follows:

(1) Fresno & Bakersfield. Started new rule-making to add Ch. 2, 5, 7 (educational) & 9 to Fresno, deleting Ch. 12, 18 (educational), 24 & 47, and deleting Ch. 5 from Goldfield, Nev., Ch. 9 from Tonopah, Nev. KJEO is ordered to show why it shouldn't shift from Ch. 47 to Ch. 2, KMJ-TV from Ch. 24 to Ch. 5, KFRE-TV from Ch. 12 to Ch. 9. If Mexican approval is obtained, Ch. 8 & 12 will be added to Bakersfield.

(2) Sacramento, Chico, San Jose, San Francisco, Reno & Stockton. Started rule-making on conflicting proposals to: (a) Substitute Ch. 12 for Ch. 46 in Sacramento, Ch. 11 for Ch. 12 in Chico, (b) Substitute Ch. 12 for Ch. 11 in San Jose and add Ch. 11 to San Francisco, (c) Add Ch. 2 and 11 (educational) to Reno. The Commission denied a proposal to shift Ch. 6 from Sacramento to Stockton for commercial use and Ch. 13 from Stockton to San Francisco.

(3) Columbus, Ga. & Dothan, Ala. Finalized rule-making changing Columbus' channels from Ch. 4, 28 & 34 (educational) to Ch. 3, 9 & 28 (educational), substituting Ch. 4 for Ch. 9 in Dothan. In Columbus, WRBL-TV is ordered to shift from Ch. 4 to Ch. 3, WTVM from Ch. 28 to Ch. 9. Dothan's WTVY shifts to Ch. 4.

(4) Montgomery, Birmingham, Selma, Tuscaloosa & Columbus, Miss. Started rule-making on conflicting proposals to: (a) Shift Ch. 8 from Selma to Montgomery or Birmingham. (b) Shift Ch. 9 from Tupelo, Miss. to Tuscaloosa, Ala. or Columbus, Miss. and shift Columbus' Ch. 4 to Tuscaloosa-Birmingham. (c) Shift Ch. 4 from Columbus, Miss. to Birmingham, Ch. 2 from State College, Miss. to Columbus for commercial use, Ch. 8 from Selma to both Montgomery and State College (educational).

(5) Mitchell & Sioux Falls, S.D. Finalized denial of substitution of Ch. 7 for Ch. 5 at Mitchell, addition of Ch. 5 to Sioux Falls.

In all cases except Fresno, Columbus, Ga. & Dothan, FCC said it would order stations to shift later if necessary.

**Carroll Economic-Injury Case:** FCC stood by its famed "Carroll" decision last week, announcing a supplemental decision reaffirming the grant of radio WWCC Bremen, Ga. over the protest of Carroll Bestg. Co. (WLBB), Carrollton, Ga. The text of the decision hasn't been released yet, so the Commission's reasoning isn't known.

Though the case involves 2 small radio stations, it's significant because the U.S. Court of Appeals had ordered FCC to reconsider the case in the light of whether or not the public would be hurt by the results of excessive competition (Vol. 14:28). FCC had turned down Carroll's protest with the assertion that: "Congress has determined that free competition shall prevail in the broadcast industry." The court, however, countered with:

"To license 2 stations where there is revenue for only 1 may result in no good service at all. So economic injury to an existing station, while not in & of itself a matter of moment, becomes important when on the facts it spells diminution or destruction of service. At that point the element of injury ceases to be a matter of purely private concern." But the court did add: "If the protestant fails to bear the burden of proving his point (and it is certainly a heavy burden), there may be an end to the matter. If his showing is substantial, or if there is a genuine issue posed, findings should be made."

## Networks

**YARDSTICK ON '58-'59 SEASON:** In the Oct.-through-April TV season recently completed, ABC-TV narrowed the gap in average nighttime Nielsen ratings between it and the other 2 leading networks to a noticeable degree, although CBS still draws top honors and NBC edges out ABC. Also, CBS holds the lead among TV networks in the average number of homes reached at night, the number of top-rated shows in the first 40 Nielsen Average Audience rankings, and the number of newly-launched shows that have won top share-of-audience for their time periods.

That's the gist of an organizational memo circulated at CBS headquarters last week from the office of Jay Eliasberg, dir. of research. It's one of the few long-range rating examinations of the past season and does much to place into perspective the 3-network standing at night (6-11 p.m., Sun.-Sat.). Here are the figures on average nighttime ratings for each network, compared with its previous season's track record:

### NIELSEN AVERAGE AUDIENCE RATINGS BY NETWORKS

Network	1958-59 Season	1957-58 Season
CBS-TV	23.0	24.1
NBC-TV	20.5	22.2
ABC-TV	19.2	17.9

As the figures show, CBS-TV's nighttime average level fell off more than a point between the 2 seasons. NBC-TV's loss approached 2 points. Thus, ABC-TV's average rating gain of better than a point caused a noticeable tightening of the competitive standings of the networks, although their 1-2-3 ranking remained unchanged.

Network nighttime viewing, combined, produced an enormous figure in terms of "home hours of viewing" of network shows over a whole season. For the 1958-59 season, the grand total was more than 16 billion home hours, the CBS-TV study shows. The picture:

### HOME HOURS OF VIEWING

Network	Sun.-Sat., 6-11 p.m.—Oct. '58-April '59	
	Number	% Total
CBS-TV	6,717,665,000	41.4
NBC-TV	5,371,895,000	33.1
ABC-TV	4,125,943,000	25.5
Total	16,215,503,000	100.0%

One reason for the strength of CBS-TV's nighttime position can be found, Eliasberg feels, in an "in-depth look at top-rated programs, since they represent a more typical idea of program behavior on a network." Such a view indeed reveals an interesting point: ABC-TV, although scoring more shows than NBC-TV (3 vs. 2) in the top 10 Nielsen ratings on an Average Audience basis and only 2 less than CBS-TV, doesn't sustain this competitive threat down through the ranks of the Nielsen AA top 40 shows. CBS-TV has half the winners. (Note: the 40-place ranking was picked, Eliasberg tells us, "because it is roughly the number of nighttime shows on CBS-TV.")

### TOP NIELSEN WINNERS (Average Audience Rating Basis) Oct. '58-April '59

	CBS-TV	NBC-TV	ABC-TV
Top 10	5	2	3
Top 20	10	5	5
Top 30	15	8	7
Top 40	20	12	8

With networks admittedly regaining control of the kind of shows that are to go into their over-all program structure (Vol. 15:28, p. 2), a chart in the CBS-TV memo devoted to the track record of new shows launched on networks last season gives high marks for program insight to the net's program planners (then headed by Hubbell Robinson, Jr., who now heads the Ford-NBC lineup of

specials). A total of 36 new TV shows made their network debuts in the '58-'59 season, with NBC-TV providing the largest number—14, CBS-TV had 12, and ABC 10. Here's how the new shows made out:

### RANKING RECORD OF NEW SHOWS Nielsen Audience Shares—'58-'59 Season

Rank	CBS-TV		NBC-TV		ABC-TV	
	No.	%	No.	%	No.	%
Firsts	7	58	2	14	3	30
Seconds	3	25	5	36	1	10
Thirds	2	17	7	50	6	60
Total	12	100%	14	100%	10	100%

**MBS Meets Its Creditors:** Mutual's reorganization plans include settlement offers in 3 phases—this was made clear at a meeting of the network's principal creditors called by bankruptcy referee Asa Herzog in N.Y. last week. The offer of 10¢ on the dollar (Vol. 15:28) has been accepted by the principal creditors and awaits acceptance by the remainder of the 750, who are invited to meet with referee Herzog July 28. The other 2 phases:

(2) A debt of \$1.3 million to Seattle realtor-builder H. B. Tuskin, is to be paid in full at 4% interest over a period of 10 years, it was decided. Miss Tuskin, an associate of Mutual's new financial angels, Chester H. Ferguson & Albert G. McCarthy (Vol. 15:27), assumed the note of \$1.3 million which had been owed by Mutual to all previous owners of the network since RKO Teleradio pres. Tom O'Neil loaned Mutual the sum. O'Neil, who owned MBS as a separate organization, made loans to the network between 1954 & 1957 to the sum of \$1.3 million. The note has been passed along to new Mutual owners ever since and now has been assigned to Miss Tuskin until such time as Ferguson and McCarthy assume formal ownership.

(3) Separate offer of 50¢ on the dollar for the first \$600, and 10¢ on every dollar thereafter, has been made to Mutual's creditors in the category of reporters, stringers, freelance reporters and panel guests on news shows.

MBS's present income is about \$345,000 a month, with expenses averaging \$400,000 for a monthly loss of \$55,000, said Hurleigh.

**ABC Promotes Barnathan:** Julius Barnathan, ABC-TV v.p. & dir. of research, has been promoted to the new post of v.p. for affiliated stations. The station relations dept., station clearance and research depts. will all report to him. Network pres. Oliver Treyz attributed the executive reorganization to "our rapid growth in programming & size, creating a need for greater coordination of all ABC-TV departments that work with our affiliates." Alfred R. Beckman will continue as v.p. in chg. of station relations, Donald S. Shaw Jr. will continue as dir. of TV station clearance, and Frederick Pierce, mgr. of audience measurements for the network, has been promoted to mgr. of research—all 3 reporting to Barnathan, who will report in turn to Treyz.

\* \* \*

Edgar G. Shelton Jr., since 1957 asst. to Robert H. Hinckley, AB-PT's v.p. in charge of the Washington office, has been named asst. to pres. Leonard H. Goldenson for national affairs. Joseph J. Jacobs, a member of ABC's legal dept. since 1954, has been named to asst. to the pres. for legal & bestg. div. affairs. Both promotions reflect shift of duties in Washington previously assigned to Robert H. Hinckley, who retired as AB-PT Washington v.p.

Extension of deadline from Aug. 4 to Sept. 15, for filing of comments in FCC's option-time proposal (Vol. 15:17), was sought by ABC in a petition filed last week.

## NETWORK SALES ACTIVITY

Special-buying continued to monopolize sales activity last week as the networks were still left holding the "for sale" signs over their remaining open prime evening hours. As it stood last Friday, ABC had "a limited number of minutes" available in its string of 60-min. participation film shows, plus two unprogrammed half-hours, 8-8:30 p.m. on Wed, and 7:30-8 p.m. on Thurs. CBS had 3 alt. week half-hours unsold. NBC was still looking for takers on *Five Fingers*, but tentatively lined up programs to be sold in its 2 open time slots. Possibilities are *Whispering Smith* for Thurs., 7:30-8 p.m., and *Richard Diamond*, well-established ex-CBS private eye series, for Mon., 7:30-8 p.m.

### ABC-TV

- Action Cartoon Strip, participations, Mon.-Fri. 5:30-6 p.m. next season.  
*Crackerjack Co.* (Leo Burnett).
- Sugarfoot, Bronco, minutes for next season in the alt. Tues. 60-min. westerns (7:30-8:30 p.m.), plus min. in 77 Sunset Strip (Fri. 9:30-10:30 p.m.).  
*Elgin Watch* (J. Walter Thompson).
- American Bandstand, participations for next season. (Mon.-Fri., 4-5 p.m.).  
*Hollywood Brands Inc.* (Grubb-Peterson).
- Untouchables, new series to debut Oct. 15 (Thurs., 9:30-10:30 p.m.). Participations.  
*Lewis-Howe* (McCann-Erickson).
- Paul Winchell Show, (Sun. 5-5:30 p.m.) and Action Cartoon strip (Mon.-Fri. 5:30-6 p.m.), participations in both.  
*Louis Marx & Co.* (Ted Bates).

### CBS-TV

- Edge of Night, I Love Lucy, As the World Turns, The Verdict is Yours, alt. wk. 15-min. segs.  
*Mentholatum* (J. Walter Thompson).
- For Better or Worse, Top Dollar, Edge of Night, I Love Lucy, As the World Turns, The Verdict is Yours, Edge of Night, alt. wk. 15-min. segs.  
*Vick Chemical* (Ogilvy, Benson & Mather).
- Rawhide, (Fri., 7:30-8:30 p.m.), one-third sponsorship on alt. wks.  
*Vick Chemical* (Ogilvy, Benson & Mather).
- Jack Benny Specials, 3 60-min. comedy programs, first of which is set for Sat. Nov. 7, 7:30-8:30 p.m.  
*Greyhound & Benrus* (both Grey Adv.).

### NBC-TV

- Phil Silvers Specials, 4 60-min. programs next fall, first of which is set for Oct. 17 (9-10 p.m.), with Nat Hiken as writer.  
*Carling Brewing Co.* (Benton & Bowles and Lang, Fisher, & Stashower).
- Outstanding Recording Artists of 1959, Special, title undecided. Sun. Nov. 29, 8-9 p.m.  
*Watchmakers of Switzerland* (Cunningham & Walsh).
- Another Evening With Fred Astaire set for Wed. Nov. 4 (9-10 p.m.), produced by Ava Productions, in assn. with NBC-TV. Bud Yorkin will be producer-director.  
*Chrysler Corp.* (Leo Burnett).
- Back to School, prime evening public service special to be presented Tues. Aug. 25 (8-9 p.m.) with David Brinkley.  
*Remington-Rand Typewriter Div.* (Compton).

## Stations

### More about

**EDITORIALS ON EQUAL TIME:** Commenting on our story last week which questioned why so many broadcasters have been editorially quiet about equal time (see p. 3 & Vol. 15:28), exec. v.p.-gen. mgr. Robert D. Swezey points out that his WDSU-TV & WDSU New Orleans had broadcast a strong editorial plea at the start of the Senate Commerce Committee hearings on Sec. 315. We'd be interested in hearing from other broadcasters who have done likewise—and in receiving editorials.

Because of the importance of the subject—and because other broadcasters may be interested in how the stations treated the issue of equal time—we are printing herewith the June 17 broadcast editorial:

A Senate committee this week is holding hearings on a law that is probably better known to broadcasters than it is to most citizens. But this law, Sec. 315 of the Communications Act, is important to voters.

The purpose of Section 315 is good. It's intended to guarantee all political candidates equal treatment on radio & TV. But, in practice, it tends to deprive voters of adequate opportunities to see and hear the important candidates, because it insists on full broadcast coverage of the splinter candidates, including the crackpots and publicity seekers running for office.

For instance, in 1956 there were some 14 candidates for President of the United States. (Here you see their faces.) They represented the Greenback Party, the Prohibitionist Party and the Vegetarian Party, among others. Under Sec. 315, every one of these fringe candidates was supposed to have the same access to broadcast time as President Eisenhower and Adlai Stevenson.

According to a recent ruling of the Federal Communications Commission, which was just reaffirmed Monday, this even applies to newscasts. In other words, during next year's presidential campaign, any time a newscast presents a 2-minute excerpt from a speech of one of the major candidates, it is supposed to present similar excerpts from a dozen other candidates, men with absolutely no chance of becoming President.

In fact, the FCC recently ruled that because a Chicago station showed the mayor of that city greeting a foreign visitor, all the other candidates for mayor could demand equal time to make political talks.

This is obviously ridiculous. If broadcasters try to give good coverage to the *major* candidates, even when they're public figures performing a duty, then they're forced to clutter up the air with a lot of frivolous candidates the public does not want to hear.

The best answer, we believe, is complete repeal of Sec. 315. This section applies restrictions to political programs and political news coverage that are not applied to any other kind of program.

Sec. 315 has done nothing but pile up red tape. It would seem worth a try, at least, to allow more freedom for broadcasters to use their own judgment—freedom to provide good campaign coverage of the candidates the public *wants* to know about.

Network radio's top 5 advertisers, according to the latest Nielsen index, are: R. J. Reynolds Tobacco, General Foods, Ex-Lax, Brown & Williamson Tobacco, and Lewis Howe Co. ("Tums"). Reynolds rates top ranking with 320 broadcasts during the four weeks ended June 7.

Spot-TV has paid maximum return for minimum investment to the American Sponge & Chamois Co., which in 2 years has tripled sales of its sponge-cloth product on an annual ad budget of \$70,000. The firm got its Amsco product moving with spot announcements on WRCA-TV, N.Y.

**NEW AND UPCOMING STATIONS:** Revival of WXIX (Ch. 18) Milwaukee on July 20 as independent by Gene Posner and associates, who acquired outlet for \$50,000 from CBS (Vol. 15:14, 16, 19) changes U.S. operating total to 555 (85 uhf). Two new starters in Canada are CHAB-TV (Ch. 4) Moose Jaw, Sask., which began July 7 and CBC's CBYT (Ch. 5) Corner Brook, Nfld., which began interim operation June 18 as satellite of CBHT (Ch. 3) Halifax, N.S. They bring Canadian on-air total to 61 outlets.

WXIX now has its headquarters in Milwaukee's Schroeder Hotel. Gene Posner, operator of Milwaukee radio WMIL, is pres.-gen. mgr. and controls 51% of stock; Lew Breyer, ex-div. mgr. of Bernard L. Schubert TV Productions, is exec. v.p. in charge of sales & films; Lawrence Turet, ex-WITI-TV Milwaukee, operations dir.; James Chladek, ex-WITI-TV, film dir.; Gino Monaco, WMIL, chief engineer. Base hour is \$395. Rep is Gill-Perna.

CHAB-TV has 6-kw RCA transmitter and 440-ft. Stainless tower with 12-slot antenna at Sioux Lookout, 17 mi. W of Moose Jaw. J. D. Moffat, operator of radio CHAB, is pres. & gen. mgr.; Sid Boyling, station mgr.; Joe Lawlor, sales mgr.; Jay Leddy, program director; Merv. Pickford, chief engineer. Base hour is \$200. Reps are Young Canadian Ltd. and Television Representatives Ltd.

CBYT is repeating CBHT (Ch. 3) Halifax, using GE equipment & 75-ft. surplus tower CBC originally obtained from Canadian Bridge. It's hooked up with CBC's new microwave to Newfoundland-Nova Scotia area. CBHT engineers are manning Corner Brook outlet and regular staff won't be appointed until CBC installs permanent tower & studio next Sept. It's one of 5 low-power outlets CBC is building, others being CBLAT (Ch. 8) Kenora, Ont., which has Dec. 4 target; CBAFT (Ch. 11) Moncton, N.B. French Language outlet, due Dec. 1; CBUAT (Ch. 11) Trail, B. C. and CBWFT (Ch. 6) Winnipeg (St. Boniface), Man., which haven't target dates as yet. CBYT is being sold as bonus with CBHT, but will have its own rate card in the fall.

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

WAFG-TV (Ch. 31) Huntsville, Ala. now is testing 1-kw GPL Continental transmitter and plans to start programming between Aug. 1 & 15, reports James R. Cleary, chairman & 24% owner of grantee Rocket City Television Inc. It has 172-ft. U.S. Tower ready for GE 5-bay antenna on top of Monte Sano Mt. John S. Gregory, with Birmingham radio-TV background, is pres., program dir. & 24% owner; John Higdon, ex-dist. operations mgr. for Capital Air Lines, is gen. mgr. & 2.3% owner; Ralph Robinson, ex-WBRC-TV Birmingham, operations mgr.; Lloyd W. Root, ex-WHIO-TV Dayton, chief engineer & 2.3% owner. Base hour will be \$165. Rep will be Weed.

WFAM-TV (Ch. 18) Lafayette, Ind. has Sept. 1 target for return to air writes Fred Molchin, chief engineer for new owner Sarkes Tarzian Inc., which took over outlet from Henry Rosenthal and associates for \$65,000 (Vol. 15:19-20). It's converting transmitting equipment from Ch. 59 to 18, will use same 650-ft. tower with RCA antenna.

CJCB-TV-1 (Ch. 6) Inverness, N.S. has ordered Canadian GE 1.5-kw transmitter and plans start this fall as satellite of CJCB-TV (Ch. 4) Sydney, N.S., according to pres. & gen. mgr. J. Marven Nathanson. Construction has just started on transmitter house & 141-ft. tower, which will have Alford 1¼-bay antenna. It will be operated by remote control and be included in sales with CJCB-TV, which has \$275 base hour. Reps are Weed and All-Canada.

Move of all TV to uhf is not urged by the state of California, Gov. Edmund G. Brown has informed FCC, thus repudiating the recommendation of William E. Whiting, chairman of Cal. State Communications Advisory Board, during the 25-890-MC hearing (Vol. 15:25). In a letter to the Commission, Brown stated: "I had not read Mr. Whiting's testimony. I had, in fact, never heard of such a proposal. I had authorized use of my name to support a request for more frequency assignments. I had not, and do not, support elimination of commercial TV, in whole or in part, from the vhf band in California. Official state policy does not support such action either."

Philco's stereo AM system was demonstrated last week by WABC N.Y. in a special daytime test marking the end of an experimental period. Monitoring reception of the tests from a listening point in Newark, N.J., was FCC Comr. Bartley and Commission staffers. The Philco compatible system (Vol. 14:49) works on a principle similar to the RCA, Westinghouse & CBS systems in that directional stereo information is frequency-modulated on the AM broadcast-band carrier (Vol. 15:28). ABC engineering v.p. Frank Marx said ABC is asking the FCC to approve a 90-day extension of its experimental authorization for a series of program tests.

Those 9 Atlanta radio stations are off the hook now, FCC having renewed the licenses of all after rejecting a proposal to conduct a hearing into the adequacy of their programming (Vol. 15:21). FCC first considered ordering a unique hearing in Atlanta to determine whether the stations were doing a satisfactory job as a group. It later decided to consider each on its own merits. The stations involved were WGKA & WGKA-FM, WERD, WGST, WAKE, WQXI, WOAK, WTJH & WEAS. Comrs. Ford & Bartley dissented.

Purchase of Radio KSPR Casper, Wyo. by its TV competitor KTWO-TV (Ch. 2) for \$149,982 from original owner Donald L. Hathaway was announced last week. Also reported on the block was TV adjunct KSPR-TV (Ch. 6), with owner Hathaway planning to darken the station this week and sell the equipment to Casper CATV operator Bill Daniels for approximately \$300,000. Hathaway declined to verify the report but said: "Part of it is definitely wrong." Radio deal was handled by broker Hamilton-Landis & Associates.

Loew's Inc. has been granted summary judgment of \$813,570 in N.Y. Supreme Court (July 15), in its suit against Radio Hawaii, Gotham Beasting Corp. and Founders Corp. Defendants are guarantors of a sale contract of 750 feature films to KTVR Denver, under which \$900,000 was to have been paid over a 60-month period. (Vol. 15:23). Justice Henry Epstein overruled KTVR's contention that the sale was "block booking" and therefore in violation of the N.Y. state antitrust laws. The court ruled that Loew's had performed its obligation under the contract.

Sale of 52% of WDMJ-TV (Ch. 6) Marquette, Mich., approved by FCC, did not include the sale of proposed satellite WIRN (Ch. 12) Wakefield, Mich., as reported in Vol. 15:28. We regret the error.

Corinthian Beasting Corp. has named Henry J. Kaufman & Associates, Washington, D.C., to handle its station group trade advertising & promotion. Corinthian was formerly handled by Anderson & Cairns, N.Y.

KTVI (Ch. 2) St. Louis, with most of its antenna destroyed by a tornado in Feb., has been granted a special temporary authorization to reduce power to 20 kw, pending completion of new facilities at the St. Louis antenna farm.

**IMAGE PLANS PROGRESS:** Big steps forward in the TV industry's public relations image program—including financing commitments totaling \$195,000 from the 3 networks—were taken last week by a 9-member pro tem organizing committee named by NAB pres. Harold E. Fellows (Vol. 15:27).

Meeting in N.Y. for its first session since the information project was approved in June by NAB's TV board (Vol. 15:25), the committee received pledges of \$75,000 each from CBS & NBC and \$45,000 from ABC for the first year of the program's operation. The TV board had recommended \$65,000 contributions from each network to make the CBS-NBC-ABC total \$195,000. NAB's own ante will be \$75,000.

Members of the pro tem committee (which will be made permanent) also: (1) Pledged from their own stations contributions 4 times their highest quarter-hour one-time rates. (2) Sent out pledge cards to all NAB TV members urging them to become sponsors of the project by doing the same. (3) Adopted "TV Information Organization" in place of "TV Information Office" as the name of the N.Y.-based operation. (4) Set Sept. 15 as a deadline for appointing the program's director (Presidential news secy. Jim Hagerty was mentioned as a possibility) and Oct. 1 as the target date to 'get going' fully. (5) Divided into 3 subcommittees for interim work. (6) Decided to meet again in 2 weeks for progress reports. These subcommittees were named:

Program—C. Wrede Petersmeyer (Corinthian stations), chairman; Charles S. Steinberg (CBS), Kenneth W. Bilby (NBC), Michael Foster (ABC), John S. Hayes (*Washington Post* stations), Willard E. Walbridge (KTRK-TV Houston), Roger W. Clipp (Triangle Stations).

Structure—Clipp, chairman; Hayes, Clair R. McCollough (Steinman stations), Lawrence W. Rogers II (WSAZ-TV Huntington, W. Va.), 3 net representatives.

Personnel—McCollough, chairman; Walbridge, Rogers, Petersmeyer, 3 network representatives.

All pro tem committee members except Rogers attended the N.Y. meeting.

Pres. Harold E. Fellows wound up NAB's 2-week management development seminar at Harvard Business School last week with a plea that broadcasters pay more attention to personnel problems. "If our industry is to realize its full potential, you & I, as its leaders, must devote more time to the quality of its people," he told 60 broadcasters attending sessions on the campus at Cambridge, Mass. Fellows said "the best of our youth" should be recruited for stations—but that it's equally important "to better equip for greater responsibility those people that we have."

Teach broadcasting students the business aspects of the industry as well as the performing arts, gen. mgr. Frank Tooke of Westinghouse's WBZ-TV Boston urged educators last week at NYU's summer TV-radio workshop. He said most broadcasting students have no awareness of such facets of station operation as sales, auditing or promotion, and as a result, the broadcaster must spend time training personnel. He suggested that students be given "a background of the industry—its achievements, its problems, its trends."

New image orthicon camera tube (7513) was introduced last week by RCA for monochrome & color cameras. RCA says the tube's precision construction makes it ideal for color by assuring good registration.

**Preparation 'H' (cont.):** Revocation last month of good-practice seals from 13 stations for carrying hemorrhoid Preparation "H" commercials in defiance of NAB's TV code review board (Vol. 15:25) became final last week—and another station faced loss of its seal for the same infraction of rules.

NAB's headquarters review board staff has sadly reported that not one of the 13 stations disciplined in June by the TV board had taken advantage of a 30-day grace period to cancel the offending commercials & regain its code standing. Revocation score since start of the Preparation "H" crackdown in April: 21. And the 22nd station, formally notified last month that its seal was endangered by its Preparation "H" contract, showed no signs of backing down. In response to the board's warning, it said that it doesn't agree that the hemorrhoid commercials are objectionable. Disciplinary action against the remaining seal-displaying rebel may be recommended by the review board in a mail poll prior to its next scheduled meeting Sept. 18.

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"Hypocritical NAB code" against hard-liquor commercials was denounced last week by Boston distributing firm Federal Liquors Inc. in boasting that radio WCFM Williamstown had accepted a 26-week contract to plug Nuyens Vodka. Pointing out that Boston area radio WBOS Brookline had signed up earlier for a Federal Liquors account, the firm added that 2-score other stations had indicated they would accept such commercials—or expressed "definite interest." NAB took the news bulletins from Boston calmly, saying that neither WCFM nor WBOS is a member of NAB. Earlier flurry over broadcast liquor commercials eased in Jan. when NAB radio member WCRB Boston cancelled Federal Liquors contract (Vol. 15:1).

Petitions for rule-making filed with the FCC: (1) By WHP (Ch. 55) Harrisburg, Pa., to shift Ch. 12 from Wilmington to Harrisburg or Harrisburg & Dover, Del. or Harrisburg & Atlantic City. (2) By United Electronics Labs, Louisville, to add Ch. 32 to Louisville by substituting Ch. 71 for Ch. 32 in Richmond, Ind., Ch. 79 for Ch. 32 in Oak Ridge, Tenn., Ch. 83 for Ch. 71 in Munice, Ind., Ch. 77 for Ch. 25 in Madison, Ind. (3) By Supt. of Public Instruction, Mich., to add Ch. 9 for educational use in Cadillac by substituting Ch. 6 for Ch. 9 in Alpena.

Two applications for new TV stations were filed with FCC last week: For Flagstaff, Ariz. Ch. 9, by Jerrold Electronics Corp.; for Missoula, Mont. Ch. 4, by Electron Corp., which also is applicant for Douglas, Ariz., Reno, Nev. & Grand Island, Neb. TV applications pending: 105 (15 uhf).

Move of site to 12 miles southwest of Jackson, Miss. was granted to WLBT (Ch. 3) by FCC, over the objections of New Orleans Ch. 12 applicants Coastal TV Co. and WJMR-TV which had asked the FCC to defer action. WLBT was also authorized a height increase from 680 to 1580 ft.

Petition to switch Ch. 5 from Mitchell to Sioux Falls, S.D., filed by WICS (Ch. 20) Springfield, Ill., is due to be turned down. FCC has directed its staff to draw up a document looking toward denial.

CP for Ch. 23, Yakima, Wash., to Yakima Valley TV Co. (Ralph Tronsrud), was recommended in an initial decision by FCC examiner H. Gifford Irion, after 3 competing applicants withdrew.

Request to build on Ch. 4 by WBMG (Ch. 42) Birmingham, Ala. pending action on its petition to allocate vhf channel there (Vol. 15:20), has been turned down by FCC.

**RUNDOWN ON TvB:** "We really should be called Television Bureau of Marketing," Norman E. (Pete) Cash, pres. of the industry-supported Television Bureau of Advertising, told us in N.Y. last week when we queried him for a status report on TvB activities. "I think we're performing a real function of documenting TV's numbers. It's easily the most-researched ad medium of all time, and we're glad to expose our hand. At present, we're active in several areas at once—encouraging new TV advertisers, providing agencies & advertisers with information on specific TV expenditures, and originating new TV research projects. We're not just selling advertising."

Currently, TvB is taking the first steps toward a 5th anniversary celebration, timed to coincide with the annual membership meeting in Nov. The achievement record, in terms of sheer numbers, is impressive. When TvB began officially (Jan. 1, 1955, following several weeks of planning), there were 52 members and a budget of \$360,000 annually. Today, there are 3 network members, 225 stations, 16 station reps, and international members in Canada, Great Britain and Australia—and the annual budget is now over the \$1-million mark.

TvB's original purpose was "to promote the broader & more effective use of TV as an advertising medium at all levels" as well as "to inform present & prospective advertisers & their agencies concerning the productive use of TV." Although there's no way to prove the exact degree, pres. Cash feels that TvB has played "an important role" in helping TV to grow from its 1955 status as an \$809-million industry, getting some 9.9% of total ad dollars, to its 1958 status as a \$1.3-billion industry getting 13% of advertising spending.

"If an industry bureau in TV is to do meaningful things, it has to start with the advertiser," says Cash. And among the advertisers with which TvB has worked in its jet-propelled history are American Gas Assoc., Adell Chemical (whose Lestoil is one of TV's most prideful successes), Chrysler Corp., General Motors, Ford Motor Co., Sears Roebuck, H. J. Heinz, Manhattan Shirt and Andrew Jergens Co. Cash cited the following to us as among TvB's most meaningful projects:

(1) Dollar expenditure research: "We deliver figures on TV-dollar expenditures by specific brands, not, as print media do a year later, but only 6 weeks after it happens," says Cash. He puts the cost of such research at "close to \$60,000 a year." As most industry members are aware, TvB's periodic reports on spending include data on all 3 major levels—national spot, network and local TV advertising. These are developed with N. C. Rorabaugh Co., Leading National Advertisers and Broadcast Advertisers Reports, and are tabulated by advertiser, brands, days vs. night, by type & volume of spending.

(2) Basic media research: In preparation, and due for August release, is a special study of audience composition, day & night, being developed for TvB by A. C. Nielsen and Pulse. "It will be a real depth study, and will give advertisers a truly basic idea of who's viewing, and when." Other long-range research projects are also planned for the future. Additionally, TvB is working with Penn State U. in developing what amounts to a distillation of opinions, reports, surveys, etc. (a total of some 800 titles) dealing with TV & modern communications. A report is expected early next year. TvB also maintains (and periodically adds to) extensive files of basic TV data covering the number of TV homes, markets, stations; trends in viewing by types of homes, time of day, audience compo-

sition; coverage by TV of specific U.S. market segments such as farmers, Negro homes, high-income homes.

(3) Other TV marketing aids: To help advertisers keep in touch with current trends in TV, a sizable library of TV commercials is maintained by TvB, along with data on dealer co-operative advertising, merchandising and promotion aids to TV, studies on brand recognition, and a case file of TV advertiser successes. Studies of other advertising media (notably magazines & newspapers) are collected, catalogued and made available. And, TvB recently concluded its 2nd annual series of TV sales clinics, attended by more than 800 advertising executives in major cities across the U.S., and is currently in the works with "TV Basics," a new film presentation on the TV medium.

TvB, seeking retail business, is initiating the first phase of a 4-step, year-long project geared to focus attention "on TV's effectiveness as a retail advertising medium." The bureau is currently studying the ad merchandising records of Patterson Fletcher, a specialty store in Fort Wayne. Second step will be planning a TV campaign for the store, for which commercials will be produced & will appear on WANE-TV Fort Wayne. The campaign will start in the fall, and within a year TvB expects to announce the results of the drive.

**KTTV's All-Commercial Show:** KTTV's novel half-hour series consisting solely of commercials has brought the Los Angeles channel national publicity and good viewer reaction. Last week UPI, AP, *Time* and *Newsweek* all noted the unique program which was concocted by station pres. Dick Moore, and called *Cavalcade of Spots*.

KTTV v.p. Bob Breckner told us: "We have received about 150 letters from viewers and some calls—all complimentary to our program. This is a remarkable reaction considering the nature of the program. When we televise a baseball game—certainly a popular type of programming—we may get 3 cards & 2 letters, if that. Considering there was nothing controversial about the show, and that people rarely write or call unless they are aroused by something, this is a most satisfactory reaction. We have been besieged by agencies & advertisers who think they have interesting commercials, which they want included in our series. In addition, reaction in the trade & press has been most satisfactory," Breckner said no rating was taken on the show.

Shift of WVEC-TV (Ch. 15) Norfolk to Ch. 13 was approved by FCC last week, and station pres. Thomas P. Chisman tells us that the switch will take place some time in Nov. The Commission upheld examiner J. D. Bond's initial decision of last April (Vol. 15:16) which came after the station's 2 competitors for Ch. 13—WTOV-TV (Ch. 27) and applicant Virginian TV Corp.—both agreed to dismiss their applications.

Experimental on-channel booster in Johnstown, Pa. has been granted to WFBG-TV (Ch. 10) Altoona, to be used to test fill-in techniques. It will operate on Ch. 10 between midnight and 6 a.m. when WIIC (Ch. 11) Pittsburgh is off the air. FCC denied petitions of WJAC-TV (Ch. 6) & WARD-TV (Ch. 56) Johnstown and WIIC to dismiss or deny the application.

Petition by WKHM Jackson, Mich., which sought rehearing & reconsideration of Ch. 10 share-time grant in Onondaga to WILX-TV & WMSB, was denied by FCC.

## Auxiliary Services

### More about

**CATV OPERATORS' ARGUMENT:** The foundation for pro-CATV testimony (see p. 4) was laid down by NCTA general counsel E. Stratford Smith in a 40-page document (with appendix) exhaustively analyzing all the pending bills from NCTA viewpoint. He gave full support to the Monroney Bill (S-2303) as "eminently fair and in the public interest" in its licensing provisions for "all forms of fringe area TV service."

As for all other legislative proposals, Smith said:

(1) "NCTA has the gravest doubts, based on . . . engineering studies, that a vhf repeater service can be established which will meet the requirements for TV repeaters. It believes that the uhf translator service is superior and comparable in costs." NCTA would not oppose the FCC-Magnuson bill (S-1739), however, if it clearly established that "ultimate responsibility" for vhf service would lie with FCC. He also suggested that FCC could have legalized vhf boosters without a new law but that it really proposed the legislation so as to give Congress the responsibility of legitimizing the service.

(2) "We oppose any restriction on the right of the public to receive TV via CATV systems and do not believe that broadcast stations should have authority to prevent CATV reception . . . NCTA always recommends carriage of the local station, but would leave authority to require such carriage for case-by-case determination [by FCC]."

(3) "Signals of local stations are not deliberately degraded or impaired by CATV operators, and legislation to permit the FCC to fix engineering standards to protect local station reception is unnecessary."

\* \* \*

A. J. Malin, pres. of National Community TV Association, and operator of CATV system in Laconia, N.H., and radio WWNH Rochester, N.H., described the work of an NCTA engineering committee's analysis of vhf boosters:

"Vhf repeaters not being a satisfactory solution to the fringe area reception problem and actually acknowledged by the engineers to be the poorest method of providing TV repeater service, we do not think the public should be encouraged to their continued use. The only practicable solution that the Commission has been able to devise in the past and which the best engineering evidence to date supports is the uhf translator service which the Commission has found to provide excellent service."

Opposing the proposed legislation which would require CATV systems to get originating stations' permissions to use their signals, Malin said: "We do not believe that there is any precedent in the American system of broadcasting for designating by law how a member of the public may receive TV programs . . . or why we should be interposed as an obstacle between the broadcaster and the public."

Benjamin Adler, president of Adler Electronics, attacked booster proponents' assertions that vhf equipment is vastly cheaper than uhf translators and receivers. He said that a 1-watt vhf booster would cost \$2420 (compared with uhf translators at \$2000-\$4000). A 10-watt booster would cost almost exactly the same as a 10-watt translator, he said. In addition, he added, "the cost of converting a set to uhf averages \$50, whereas there is a \$100-\$200 cost for a suitable vhf receiving antenna and tower capable of picking up the average vhf booster signal beyond 2 or 3 miles." Furthermore, "there is no reason why a uhf-only TV

receiver should cost any more than a vhf-only TV receiver." Over-all, Adler pointed to these uhf characteristics: "extremely high useful-range-to-nuisance-range ratio . . . Directional characteristics enable the uhf antenna to more readily fill in the shape of a particular white area . . . Invulnerability to man-made noise interference and to ghosting." He noted that more than 200 uhf translators are now in use. He later told us he has been shipping them at a rate of 2 weekly for the last 2 years. He also reported orders for about 20 of the 100-watt units.

A 3-man engineering committee of NCTA—A. Earl Cullum, Archer Taylor and George Frese—came up with only the most reluctant endorsement of vhf boosters, coupled with vigorous espousal of uhf translators for the same job. Among the most interesting conclusions was one devoted to cost analysis, which attacked a prime argument of vhf booster proponents—that boosters and vhf sets are much cheaper than translators and uhf sets. They stated that the typical vhf receiver, antenna and viewer's share of the booster cost runs \$374 while the same figures for uhf (including converter) runs \$367.

\* \* \*

Summarizing the whole vhf-vs.-uhf fringe-service picture, they stated:

"(1) A low-power, low-cost TV rebroadcasting service is a useful adjunct to the U.S. TV broadcasting service, to provide a service or choice of service to areas where service is not otherwise available because of terrain or economic limitations, if the service can be established with due regard for the public interest in other TV & radio communication services.

"(2) There is abundant evidence that the uhf translator service is capable of providing this service.

"(3) When all factors are considered on a comparable basis, only minor cost differences are found between uhf and vhf repeater services.

"(4) Because of the greater danger of interference on vhf channels than on uhf channels, it is imperative that engineering standards for a vhf service be at least as protective as for uhf service. A vhf repeater service, however, appears to be . . . possible under proper conditions.

"(5) It is respectfully submitted by this committee that for the protection of the public, all superior off-the-air receiving systems, whether for broadcast relay, uhf translators, vhf repeaters or CATV systems, be assured against destruction by reason of interference from vhf repeaters. This could be accomplished either by prohibition of vhf repeaters or by . . . rules & standards . . . to provide such assurance.

"(6) Furthermore, because of the intermingling of vital communications services in the vhf bands, any rules adopted for a vhf repeater service must provide protection against interference to these non-broadcast services."

Milton J. Shapp, president of Jerrold Electronics, which started out in 1948 producing TV antenna preamplifiers, now operates 9 CATV systems of its own (in Wash., Cal., Ariz., Ida., Ia., N.J., Ala.), recounted early CATV struggles, told how "we climbed mountains with TV sets on our backs" to test systems. "We pioneered TV in those [fringe] areas," he said. "We were heroes. It's very strange that now we're bums [to broadcasters]." In his prepared statement, Shapp urged the subcommittee not to entertain legislation hindering growth of CATV, expressed "support for the independence & integrity" of FCC.

Among other prepared CATV witness statements:

Robert J. Murphy, Casper, Wyo., lawyer representing the Wyo. CATV Assn. argued that "CATV preceded any

other form of TV in almost all of the communities it now serves, and with rare exception, direct reception in any of these communities was then marginal, to say the least. CATV makes network service available to all the communities it serves and in all of these communities a network selection is available."

Glenn Flinn, partner in Tyler (Tex.) TV Co., said that "unless and until it is determined by a court of law that there is a property right in a signal, I believe that it is perfectly proper to take the position, as I do, that a TV signal once broadcast is free to be received by anyone, whether by an individual or a community antenna."

Clifton W. Collins, Ephrata, Wash., lawyer representing the Northwest Community TV Assn. and part owner of Soap Lake TV Inc., said "improvement in TV service in rural fringe areas has come about through a normal competitive process. This is as it should be and legislation designed to protect one legal segment of the TV industry from another cannot be said to be legislation proposed in the public interest."

Charles E. Clements, Waterville, Wash., Pacific Northwest Community TV Assn. pres., said "we ask for no right to engage in a competition-free endeavor. We only ask that any legislation passed enabling rebroadcast facilities on a vhf basis be accompanied by a legislative mandate to the FCC that such rebroadcast facilities be constructed and operated so that no electrical interference can result to other legal facilities."

In addition to the CATV team there were 2 added starters on the witness list: (1) Sen. Karl E. Mundt (R-S.D.), who made a pitch for "reasonable rules" for boosters. "It's a matter of TV or no TV" in booster country, such as his S.D., he said. (2) Albert O. Hardy, IBEW radio-TV-recording div. dir., who had "no objection" to the Moss-Murray bill (S-1886) so long as it isn't interpreted as giving "unfettered discretion to the FCC to junk the present licensing requirement."

Community antenna system in Richfield, Utah, was forced out of business by a county-operated tax-supported illegal booster, alleges Sevier TV Cable Co. owner T. Collins Jackson. The system, which began in Dec. 1954, had 625 subscribers and relayed KUTV, KTVT & KSL-TV Salt Lake City. Also closed down recently was the CATV system in Kitchener, Ont.

## Educational Television

Educational WJCT Jacksonville was granted \$100,000 by the Fund for Adult Education last week. The money will be used to equip a new TV studio leased from the Duval County Schools, reports station gen. mgr. Dr. William K. Cumming. To qualify for the grant, the Ch. 7 outlet had to match with \$200,000 worth of building & TV equipment, much of it provided by local commercial stations.

NAEB has received a \$42,738 grant from the W.K. Kellogg Foundation which will be used in part to hire a full-time editor for its various publications and to conduct advanced seminars for educational TV-radio personnel. NAEB exec. dir. Dr. Harry J. Skornia said the funds were the first part of a 3-year grant totaling \$106,338.

General Precision Laboratory Inc. is the most recent manufacturer to join the National Assn. of Educational Broadcasters as an industrial associate. NAEB's first was Motorola, followed by RCA, GE, Minnesota Mining & Mfg. and Ampex.

## Foreign

**BBC's Translators:** Britain's govt.-sponsored BBC has obtained official go-ahead on a plan to construct 14 low-power satellite TV stations within the next 3 years to extend coverage to some 200,000 people and improve it for 940,000 others.

Most of the new stations will be unattended translators, designed to pick up signals from existing BBC stations and re-transmit them on a different channel for local reception. The translators will be in 3 sizes, the largest having a range of several miles. Additional stations are planned later. BBC now has 22 stations in operation and a 23rd scheduled for fall, serving 98.7% of the population.

TV critics draw criticism in England, too. The London theatrical tradepaper, *The Stage & Television Today*, quotes industry sources there with these barbs for British reviewers: "Too high-brow on one hand, or better qualified as gossip writers on the other" . . . "Guilty of 'clever' writing at the expense of reasoned criticism" . . . "Merely voicing personal likes & dislikes." Said one prominent program planner: "With exceptions, critics are a question of mind over matter: We don't mind, they don't matter."

TV famine in southern Hungary has set owners up in arms, reports Reuters. Although residents have been paying their monthly TV license fees (\$2.10) for a half year, the postal department, which apparently also delivers the TV, has refused to start operation of the local replay transmitter. Officials say the picture is not clear enough, and a poor picture will produce more complaints than none at all.

Video tape for Finland: Ampex video products information mgr. Jack Roizen will address the management of the Finnish Bestg. Corp. in Helsinki this month as a stopover on his trip to Moscow for the U.S. Exhibition there. The Finns want to fly tapes of next year's Winter Olympics over the North Pole from Squaw Valley, Cal., for daily telecasts.

TV sets in West Germany numbered 2,670,955 as of June 1 registration. Inclusion of illegally operated sets would push the total figure over the 3 million mark. Reputedly Europe's fastest growing TV country, West Germany is exploring the possibility of a TV network which might be open to private interests.

New TV station in Perth, Australia—TVW Ltd., due to go on the air in October—will be represented in the U.S. by Intercontinental Services Ltd., headed by Harry Engel Jr., pres. of KUAM-TV & KUAM Agana, Guam. Engel said his firm will act as film-buying agent & adviser, and that agreements are due with other Australian stations.

British govt. has refused to bar BBC from discussing birth control on its weekly *Good Cause* program. Request for suppression of the subject, scheduled for next month, came from a conservative MP who decried its controversial nature and argued that its presentation without debate would be offensive to many families.

Swiss TV homes totaled 64,353 as of June 1, compared with 50,304 at the end of last year and 31,374 at the end of 1957, according to the U.S. Commerce Dept. Yearly license fee is 84 Swiss francs.

A 2-channel commercial TV operation has begun in Beirut, Lebanon, according to a dispatch from Reuters, which says one channel is in Arabic, one English & French.

## Programming

**'Lineup' at Fountain of Youth:** When CBS last week abruptly junked 5 filmed 60-min. *The Lineup* shows, Tom Tully, who co-stars with Warner Anderson, quit with a blast, saying that CBS was taking Madison Ave. dictation in changing the format. Anderson denied Tully's assertions, and said he was staying with the show as its star. As for 2 new players signed for the series—Floyd Simmons & Bill Leslie—Tully contended they were the new stars, but this was contradicted by Anderson who termed them "additional players." What was behind it all? we asked Tully. He had refused to continue with the series as a supporting player, contending it violated his original contract which called for Tully & Anderson to alternate as stars of the police series.

Said Tully: "They shot these 5 films; which I wasn't enthused about. They're trying to blow a half-hour into an hour show, and it doesn't work out. Then they told me they had made a secret poll on Madison Ave.—which disclosed that unless you have a Kookie or a young lead, your show is destined for failure—and said 'we have to go along with that. So you will be in a supporting role.' I told them it was a breach of contract and asked for my release. They said, 'You're fired.' However, I'm not completely released. The next day they called me to say they are holding me until my contract expires. I'd already signed to do 'Death of A Salesman' in summer stock, and they wouldn't let me. So I'll get these fat checks every week without working. They don't want authenticity, they want gimmicks."

Said Anderson: "I'm enthusiastic about our new format. This situation is a family affair and one does not wash their dirty linen in public. I will get star billing without any shadow of a doubt—that is my understanding and my contractual obligation. There is much, much more here than meets the eye. One cannot report a situation from a biased opinion. I am a gentleman. I will not stoop to any recrimination. CBS said they were adding a couple of young men, and there is the possibility they will be very well thought of & well received. This is an embarrassing situation for all. I am now the star of the show and I intend to continue as such, and anything that is detrimental to the show I have to be opposed to. I feel the addition of these young men is going to be a wonderful shot in the arm to the show and that they will bring a certain charm to it which it did not have before."

**Signals Off:** Among the heavy & happy fan mail received by NBC-TV last week—following its debut of an 80-inch lens on a center-field camera for *Game-of-the-Week*—lay a "cease & desist" billet-doux from baseball commissioner Ford C. Frick. The powerful lens enabled stay-at-home fans to see clearly the signs flashed by the catcher to the pitcher. Apparently the thought occurred to Frick that the thought would occur to some astute ballclubs to install TV sets in the dugout to preview opposing pitchers' plans.

Although going along with Frick's request, NBC sports dir. Tom Gallery noted that "the camera provides the best shot we've ever had of a ballgame."

Step-up in prime-evening public affairs specials (Vol. 15:27) is further evidenced by NBC's forthcoming, "Back to School" report, which is scheduled for Tues., Aug. 25, 8-9 p.m. David Brinkley & a crew of NBC's news correspondents will report from various cities. Commercials for sponsor Remington-Rand will have a back-to-school

**TV Too Cautious?** Because of the amount of money involved, TV has become excessively cautious, and is relying too heavily on the same old formats, in the opinion of Hubbell Robinson, ex-CBS program v.p. and now producer of the Ford series of specials for NBC next season. Robinson, surveying the overall TV film programming for next season, told us "I don't see anything, with the possible exception of Rod Serling's *Twilight Zone* series, that's terribly unusual."

Acknowledging the limitations of TV film, the executive observed that too many of the series are trend-followers. "They rely on the same old formats, seek new wines for old bottles. The forms in which you work are melodrama, drama, or comedy. The trick is to find a way within these 3 basic forms to do something that is bright & shiney, and stands out from the mob. Like a *Playhouse 90* stood out when it started. While such an innovation may seem adventuresome at the moment, there's a big payoff. When they work, they work awfully big."

"Our overall concept on the Ford series is to try to create things which are different from what everybody else is doing—in drama, comedy or melodrama—and do it in a way which will have a fresh character of its own."

**Report on TV Quizzes:** The public is entitled to a look at that Grand Jury presentment (Vol. 15:24) dealing with TV quiz shows and impounded by gen. sessions Judge Mitchell D. Schweitzer, N.Y., d.a. Frank Hogan stated last week. Hogan added that the 12,000-word report, which was not filed as a court record after it was challenged by attorneys representing quiz packagers, "discloses a gigantic fraud & hoax" involving pre-coached contestants on certain of last season's big-money giveaway programs.

"The public," said Hogan, "has a right to know the extent to which it has been duped & cheated." Additionally, he hinted that release of the grand jury report would "lead to legislation & regulation designed to prevent a recurrence of such fraud." Judge Schweitzer, whose decision to keep the presentment under wraps has been upheld by 2 associations of lawyers specializing in criminal-courts practice, is due to review his decision in Aug.

NBC-TV got into the act late last week with an official statement declaring that the network "has cooperated fully" on the inquiry, and that "at no time has NBC interceded to block public release of the grand jury presentment." In fact, NBC would "welcome its publication."

Residual negotiations have been completed by Screen Actors Guild whereby actors will be paid residuals on 11 Schenck-Koch post-1948 movies, produced for United Artists, which are going to TV. A total payment of \$40,000 will be made to actors who appeared in the movies. Seven of the 11 films failed to return negative costs from the theatrical release, and the producers at first balked about paying for TV release, later yielding. In another deal, SAG actors will get 15% of their original salaries for 5 American-International Pictures films being sold to NTA for TV release.

An "adults only" series, featuring Dr. Joyce Brothers analyzing marriage problems, will follow Jack Paar nightly on WRCA-TV N.Y. She'll frankly discuss sex adjustment, husband & wife stealing and related topics. The series (Mon.-Fri. 1-1:15 a.m., starting Aug. 10) is designed to appeal to the husbands who miss Dr. Brothers' programs.

## Television Digest

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**Personals:** Julian Goodman named dir. of news & public affairs of NBC, headquartering in N.Y.; Elmer W. Lower, ex-CBS News dir. of operations, succeeds him as news mgr. for NBC in Washington . . . John Walsh, ex-CBS press information mgr. of special projects, appointed coordinator of special programs, CBS-TV . . . James H. Greer, ex-asst. comptroller of ACF Industries and Price Waterhouse & Co., named controller of CBS TV Network div. . . Richard P. Doherty, Washington consultant, takes U.S. representation for Fuji Telecasting Co., second largest Japanese TV group . . . Robert C. Mackicham, mgr. show-requirement estimating for NBC, promoted to mgr., design & art.

Donald A. Pels, ex-business mgr., WABC-TV N.Y., named controller of Capital Cities TV Corp., operator of WTEN & WROW Albany, N.Y., with satellite WCDC Adams, Mass., also WPRO-TV & WPRO Providence and WTVD Durham-Raleigh . . . Daniel German named program dir. WKTU Utica, N.Y. . . . Paul C. Buford elected pres., Shenandoah Life Insurance Co., which owns WSLS-TV & WSLS Roanoke. James H. Moore, exec. v.p., named pres. WSLS stations, succeeding Blake Newton Jr., who resigned as pres. of both Shenandoah Life and of stations.

H. W. Ray named production mgr. of WAGA-TV Atlanta, succeeding Bob Marshall, now program dir., WJW-TV Cleveland (Vol. 15:28) . . . Nod Nelson named production dir., WAPI Birmingham, succeeding Johnny Johnson, promoted to program dir. Ray A. Furr, v.p. for programming & program development, named v.p., administration . . . William H. Dustin promoted to regional sales mgr., WAVY-TV Portsmouth-Norfolk . . . L. Walton Smith promoted from adv & sales promotion dir. to PR dir. of WROC-TV Rochester.

Robert Sevey, ex-Holts & Male, Honolulu adv agency, named sales mgr., KGMB-TV Honolulu and satellites KHBC-TV Hilo & KMAU-TV Wailuku, succeeding Charles Crockett, now sales mgr. of radios KGMB & KHBC. Robert Costa, resigned as local sales mgr., KGMB-TV, Honolulu, named exec. asst. to pres. & dir. of TV-radio for Lund-Heitman Advertising, Honolulu.

Dick Ryan, gen. mgr., radio KLOK San Jose, elected pres., Ad Assn. of the West; Don Ostensoe, adv. mgr. of First National Bank of Portland, Ore., senior v.p.; Helen Murray Hall, NBC, Hollywood, v.p. at large . . . J. A. C. Lewis, CKEN Kentville & CFAB, Windsor, N.S., elected pres., Atlantic (Canadian) Assn. of Bestrs.; R. F. Large, CFCY-TV Charlottetown, P.E.I., 1st v.p.; T. H. Tonner, CKCW-TV Moncton, N.B., 2nd v.p.; Marvin Nathanson, CJCB-TV Sydney, N.S., secy.-treas.

International Telecommunications Union meeting, which starts Aug. 17 in Geneva, will have U.S. delegation of about 80 people from Govt. & industry. Heading the delegation will be FCC Comr. T. A. M. Craven, with asst. chief of State Dept. Telecommunications Div., Dr. Arthur K. Lebel as vice chairman. The conference, scheduled to last for 4 months, will discuss revision of radio regulations, including frequency allocations.

CBS commentator Walter Cronkite has been elected pres. of the National Academy of Television Arts & Sciences. Other new officers are: Frederick de Cordova, CBS producer-director, exec. v.p.; David Susskind, v.p., N.Y.; Arnold Wilkes, v.p., Baltimore; Irv Kupcnet, v.p., Chicago; John Secundari, v.p., Washington; Rod Serling, secy., and Henry White, treas.

Radio-TV Execs. Society first annual outing is set for July 30 at Pelham Country Club, Pelham, N.Y. Golf, entertainment, swimming, dancing, and food are on agenda, with links challengers including an RKO Teleradio foursome (Tom O'Neil, Arnold Kaufman, Robert Leder and Robert McNamara), and H-R Television v.p. & RTES pres. Frank Pellegrin.

Thomas Alva Edison Foundation awards to the local TV & radio stations that best served youth in their communities will include a \$1000 college education scholarship to a high school senior. Nominations for the awards (won in 1958 by WQED-TV Pittsburgh and radio WFMT Chicago) are now open. Information may be obtained from the Foundation at 8 West 40th St., N.Y. 18.

"Motion Pictures and TV in the Space Age" will be the theme of the 86th semi-annual convention of the Society of Motion Picture and Television Engineers (SMPTE), Oct. 5-9 at the Statler-Hilton, N.Y. Included will be sessions on international TV, equipment & practices, scientific & military uses, recording & video tape. Dr. J. Paul Weiss, Du Pont products dept., Parlin, N.J., will be program chairman.

New pres. of Broadcast Pioneers is Merle S. Jones, pres. of CBS TV Stations div. Other officers are 1st v.p. Sol Taishoff, *Broadcasting*, and following v.p.'s: Roger W. Clipp, Triangle stations; J. Leonard Reinsch, Cox stations; C. Howard Lane, v.p. KOIN-TV Portland, Ore.

Free copies of TASO Report are being mailed by NAB to all TV members & registrants at its 1959 convention broadcast engineering conference in Chicago. Additional copies are available for \$10 from TASO exec. dir. George R. Town, 104 Marston Hall, Iowa State U., Ames, Ia.

State bestr. assn. heads will hold their 5th annual conference under NAB auspices next Feb. 24-25 in the Shoreham Hotel, Washington.

### Obituary

Eugene Meyer, 84, chairman of the board of the *Washington Post*, died July 17 in George Washington Hospital in Washington. Surviving are his wife, 4 daughters, a son.

Edward F. Loomis, 65, founder & pres. of Radio Reports Inc., died July 14 in Brattleboro, Vt. He formed the TV-radio monitoring service in 1936.

Gerald Pennell Rock, 60, sales mgr. of Muzak Corp., N.Y., and a veteran of the outdoor advertising field, died July 14 in his N.Y. home. He is survived by his wife and 2 brothers.

## Advertising

**DETROIT PLUS TV EQUALS SALES:** Automobiles continue as "the most important possession of most Americans outside the home" and TV continues to be "by far the best national advertising medium for delivering customers" to the doors of the nation's auto dealers. So concludes NBC-TV's 4th annual probe of auto buyers & sellers, "Auto Motives," in a searching estimate of TV's electronic marriage to Detroit's ad dollars.

As in previous studies (Vol. 15:7), the survey conducted for NBC by independent researcher Dick Bruskin examined dealer & consumer attitudes toward TV & shows sponsored by auto firms, the effects of TV in producing sales, brand switching, slogan & ad identifications, brand images, self-image of consumers, and other marketing factors. But, with neat timing, NBC also probed deeply into another area of major significance in the auto industry's fall TV plans: The attitudes of buyers & sellers toward "compact" small cars, both domestic & foreign-made. Here are highlights of "Auto Motives," previewed last week (July 14) in N.Y.:

**Small cars:** Three out of 7 shoppers in dealer showrooms indicated interest in buying a small car this season, with one of the 3 indicating considerable buying intent.

**Foreign cars—Volkswagen, Renault, Fiat, etc.—**had no corner on this interest. In fact, there was a strong let's-buy-an-American-car reaction. By a sizeable margin, the biggest comparative advantage of the U.S.-made small car over foreign junior-sized autos is felt by auto buyers to be widespread service facilities. Small U.S. cars are also felt to be more comfortable & better value.

**Dealer attitude:** Most dealers (76%) want to handle the American small cars, and most feel they should be sold on TV, with 71% of the dealers voting for TV, or a combination of TV supported by print media, as the primary advertising weapon for the small new autos. Nearly 7 out of 10 auto dealers (67%) think that TV is the most effective national medium for attracting customers to showrooms, an increase from the 59% level recorded by NBC in its 1957 survey. Almost the same proportion (64%) feel TV does the best general pre-selling job. By comparison, print media lags behind noticeably in NBC's long-term look at dealer preference for basic national ad media.

**Buyer TV attitude:** More auto shoppers (46%) told the study's research teams that TV auto advertising did more to bring them into showrooms than named magazines (17%) or newspapers (12%). TV advertising also stands out strongly in the memory of auto buyers, with most (60%) rating it over the print media. The survey also showed that 28% more viewers than non-viewers of the average NBC-TV show sponsored by a motor maker actually shopped for the make (Ford, Chevrolet, Pontiac, etc.) and, the share of sales among auto program viewers (23%) is 35% higher than the share among non-viewers (17%).

As in previous studies, when dealer preference for TV and consumer indications of TV's effectiveness were combined and then measured against actual total national advertising spending by auto companies, there was a curious gap. As NBC-TV puts it: "Each year TV has consistently ranked between the 2 print media in amount of advertising investments [35% in 1959 vs. 40% for newspapers, 25% for magazines], while exceeding their combined total in terms of media preferences." (60% for TV in 1959 vs. 22% for newspapers & 18% for magazines.)

The study itself was conducted during Feb. & March 1959 in communities located in 159 counties in 41 states. Interviews with auto dealers & public totaled 11,179.

**Advertising People:** Michael J. Donovan, ex-Benton & Bowles v.p. & asst. media dir., William E. Beste, Joseph Harris, Herbert D. Maneloveg, Theodore R. Meredith and Richard C. Wright named to new posts of associate media dirs. by BBDO which also created a media plans board comprising Fred Barrett, v.p. & media dir., and media supervisors Kent D'Alessandro (plans & media analysis), Edward C. Fleri Jr. (spot broadcast), and Charles R. McKeever (network broadcast), among others.

Dr. Seymour Banks, Leo Burnett media, program, copy & creative research mgr., has been named v.p. . . Miss Reggie Schuebel, Guild, Bascom & Bonfigli network relations dir., appointed v.p. . . Harry B. Bressler, ex-Doherty, Clifford, Steers & Shenfield v.p. & copy dir., now Ted Bates v.p. & creative supervisor, copy dept.

Royall Smith named v.p. & creative group head, Lennen & Newell . . . Paul L. Field, ex-N. W. Ayer, joins Benton & Bowles as TV producer . . . Dr. Richard H. Baxter elected v.p., Cunningham & Walsh . . . Alan Koehler named v.p. & senior writer by Norman, Craig & Kummel . . . West Gillingham appointed v.p., Clark & Bobertz.

Ben Alcock, Grey copy v.p., elected to the board . . . Edward M. Marshall named business mgr., BBDO TV-radio dept. . . Donald C. Foote Jr. promoted to media supervisor, Young & Rubicam Detroit office . . . Thomas A. Wright Jr., Leo Burnett v.p. & media mgr., Chicago office, elected pres., Broadcast Advertising Club of Chicago.

Eldon E. Fox, Ford Motor's Edsel Division ad & sales promotion mgr., becomes asst. mgr. of BBDO's Minneapolis office Aug. 3 . . . William B. Bunn, ex-v.p., Cunningham & Walsh, named ad & sales promotion dir., St. Regis Paper Co., N.Y. . . Raymond E. Nelson, ex-NTA Film Network v.p., joins Gregory & House & Jensen as v.p. & mgr. of agency's N.Y. office . . . Edward J. Garvey, ex-Lennen & Newell, rejoins J. M. Mathes as v.p., soft goods & home furnishings div. . . David D. Wines & Ralph L. Wolfe named v.p.'s, D. P. Brother & Co., Detroit.

New reps: WNTA-TV Newark-New York to Young July 15 (from Katz); WBAY-TV Green Bay, Wis. to Katz July 1 (from Weed); WWTW Cadillac, Mich. to Avery-Knodel Sept. 1 (from Hollingbery).

Paper Mate will use TV extensively in its 1959 "Back-to-School" ad campaign, described by ad mgr. James Barton as the largest in the history of the pen industry.

## Obituary

Evan Walter Hayter, 48, pres. since 1952 of McCann-Erickson (Canada) Ltd., died July 11 in Toronto. Previously he had been marketing & ad mgr. for Goodyear Tire & Rubber Co. of Canada. He was a former pres. of the Advertising & Sales Club of Toronto and a founder of the National Sales Executive Club.

### Station Rate Increases

Station	Base Hour	Minute	Date
WNHC-TV New Haven-Hartford	\$1200 to \$1500	\$270 to \$330	March 1
KBTW Denver	750 to 800	235 to 265	July 1
WSIX-TV Nashville	700 to 760	140 to 160	June 15
WATE-TV Knoxville	600 to 650	120 to 140	Aug. 1
WNEP-TV Scranton-Wilkes-Barre	500 to 575	100 to 125	July 15
WMTW-TV Poland Spring, Me.	500 to 550	100 to 110	July 1
WSFA-TV Montgomery	450 to 500	110 to 125	July 1
KXII Ardmore, Okla.	150 to 250	30 to 50	June 18
WHIS-TV Bluefield, W.Va.	240 to 250	60 to 75	April 1

### Canadian Rate Increases

CKCW-TV Moncton, N.B.	250 to 300	50 to 60	July 1
CKRS-TV Jonquiere, Que.	265 to 280	66 to 70	July 1

**In Other Media:** Magazines show a July-1959 lineage gain of 12.3% over July 1958 and a 5.5% gain for the first 7 months of this year, up from 4.5% at the first half, reports ports *Printers' Ink*. The month's highest gain—31.8%—was scored by the movie-romance-radio group . . . Magazine ad volume during first-half 1959 increased by \$30,783,630 to \$368,630,007 compared with first-half 1958's \$337,846,377 adds PIB. Pages increased by 1382.3 to 36,581.9 vs. 35,199.6 . . . Reader's Digest increases ad rates & circulation guarantee with its Jan. 1960 issue. The 12 million guarantee (up 250,000 over current guarantee) is the highest ever set by any publication.

American dailies passed the 58-million mark in circulation, reports ABC, for the 6-month period ended March 31. The nation's 1736 morning, evening & all-day papers totaled 58,604,942—and the 554 Sunday papers showed a combined circulation of 49,043,905 . . . But national ads in newspapers dropped 5.1% to \$719,049,000 in 1958 compared with 1957's \$757,401,000 volume, reveals ANPA's Bureau of Advertising. Interestingly, despite the decline in the national total, TV-radio (broadcasting & receivers) was one of 6 classifications that established new highs . . . ANPA is establishing a special high-level task force to encourage more newspaper advertising among top national accounts. The group will offer advertisers & agencies assistance on newspaper sales plans . . . Random House will distribute the new Groucho Marx book, *Groucho & Me*, to be published Sept. 10 by Bernard Geis Associates. And other upcoming books concerned with TV (and other entertainment) personalities are Eddie Cantor's *The Way I See It*, Mae West's *Goodness Had Nothing to Do With It*, Art Linkletter's *Secret World of Kids*, Dr. Joyce Brothers' *Love, Marriage & Sex*, Carlton Fredericks' *Cook Book for Good Nutrition*, Kay Thompson's *Eloise in Moscow*, and Leonard Bernstein's *The Joy of Music*, based on 7 *Omnibus* scripts . . . Louisiana Gov. Earl K. Long last week announced \$2-million in suits against *Time & Life* for what he termed "slandorous articles & pictures."



Book publishers will use TV, saturation advertising, other hard-sell techniques this year in a dramatic departure from what the *Wall St. Journal* describes as a traditional "atmosphere of an exclusive men's club where voices are never raised & overt commercialism is frowned upon." Typical of the new look in book-selling is Bernard Geis Associates, a new firm whose members include such TV names as Art Linkletter, Groucho Marx, Ralph Edwards, *Queen for a Day* MC Jack Bailey, and TV producers Mark Goodson & William S. Todson. Emphasizes Mr. Geis: "Our partners must reach more than 50 million people every week."

Summer repeats, despite the protests, are not unacceptable to viewers declared *Advertising Age* last week, adding: "Always excepting vocal minorities, people have grown accustomed to repeats. The arithmetic is simple: on a 30 rating show (which is high), 70% could not have seen the episode the first time. Of the 30% who did, 15% would have forgotten the plot or liked it so much they wouldn't mind seeing it again. This is a pretty good target when the cost of repeating runs from \$20,000-\$30,000 less than the original episode for a saving of up to \$450,000 a summer. Is the sanction of the croaking critic worth that much to an advertiser? Not on your balanced budget."

Nearly 1000 advertisers used radio to push more than 200 brands during the first quarter of 1959, RAB reports. The ad count shows that 902 companies used spot radio.

## Film & Tape

**TV STARS BIG BUSINESSMEN:** Those not-so-good-old days in the movies, when many a top star wound up on relief or in the Motion Picture Country Home after dissipating his earnings, aren't so apt to return to TV-oriented Hollywood.

That's because most TV stars of today have become businessmen, too, and there are at least 50 who own either their own production companies or interests in their series, TV stations, radio stations, record companies, etc. Many finance pilots for other stars or producers. Two (Desi Arnaz & Lucille Ball) own their own studio.

Much of this activity is due to the tax structure, which imposes such a high levy on the big-salaried stars. Because of this, many a star has found it advantageous to form his own company and invest his earnings in other activities.

Classic examples are Bing Crosby and Frank Sinatra. Besides owning his own film production company, Crosby heads Bing Crosby Enterprises, a repository for many of his business interests, which once included an electronics lab working on development of a video-tape recorder. He also owns 25% of KCOP Los Angeles, 17% of radio KFOX Long Beach, Cal., and a tiny share in the new purchaser of KPTV Portland, Ore. This is just the beginning of a long list of Crosby financial activities, which—as is well known—includes part of the Pittsburgh Pirates. Sinatra has his Essex Corp. (records) and production companies for movies & TV, as well as radio stations KJR Seattle, KXL Portland & KNEW Spokane (Vol. 14:12).

Other TV-movie stars with TV station ownership are Bob Hope (42.5% of KOA-TV & KOA Denver and minority holdings in radio WIP Philadelphia) and Gene Autry (55% of KOOL-TV & KOOL Phoenix, 48% of KOLD-TV & KOLD Tucson, 51% of radios KMPC Los Angeles & KVI Seattle, 50% of radio KSFO S.F.).

Stars owning all or parts of production companies in TV are Jerry Lewis, Peter Lawford, Danny Thomas, Desi Arnaz & Lucille Ball, Jack Benny, George Burns, Bob Cummings, George Gobel, Loretta Young, John Payne, Robert Taylor, Jack Webb, John Forsythe, Jackie Cooper, Joel McCrea, Bob Hope, Ozzie Nelson, Ray Milland, Donna Reed, Henry Fonda, Rod Cameron, Kirk Douglas, Dennis O'Keefe, Lloyd Bridges, Maureen O'Hara, Zsa Zsa Gabor, Rory Calhoun, Dale Robertson, Dick Powell, Charles Boyer, David Niven, Barbara Stanwyck, Ida Lupino, Betty Hutton, Alan Ladd, Jane Wyman, Mickey Rooney, Robert Young, Gene Barry, and John Wayne.

There will likely be an increase in this trend to ownership and TV tycoonery. Certainly the chief inducement to sign a movie star for a TV film series is the advantage of ownership of property plus the residual value.



Audiences actually build in the second half of 60-min. suspense shows, says NBC-TV in a special late-season sales presentation for *5 Fingers*, new international whodunit scheduled to start in the 9:30-10:30 P.M.-Sat. period on Sept. 12. Quoting Nielson AA ratings for such shows (week ending March 21, 1959), NBC cites an average AA level of 19.1 for the first 30-min. segment, and 20.7 for the second half—an increase of 8%. At a cost of \$25,977 for 1-min. participations in *5 Fingers*, NBC-TV currently anticipates (on the basis of known competition & past performance of show types) a cost-per-1,000 of \$2.74.

Herbert W. Hobler, ex-TelePrompTer sales v.p. and for the past year a sales management consultant, joins Videotape Productions of N.Y. Inc. as sales development dir.

**FILM TREND—ESCAPE:** TV film's outstanding trend for next season is not so much to be labeled Western or private eye, action or comedy—instead it's a cascade of pure escapism. As one knowledgeable Hollywood executive puts it: "The ratio between Westerns & private eyes may change, but the creek bed doesn't move. Basically, it's sheer escapism." TV film makers have adopted the cinema's B-picture approach: keep thought at a minimum & action at a maximum.

While TV film has always been basically escapist fare, never before has there been such behind-the-scenes avoidance of subjects requiring thought. Writers we've talked to tell us that generally speaking, their orders are to provide excitement, action, mystery and comedy, appropriate to the series involved, but beyond all to stay away from anything provocative. TV, they're told, is not the thinking man's medium.

Falling into out-and-out escapist categories on next season's schedules are 29 Western series, 21 action shows, 15 situation comedies and 8 private eyes. This constitutes most of film programming—but that's not all. Many of the anthology series include episodes which are in the escapist category. And while TV taboos have been dropped in many quarters (Vol. 15:27), and consequently many absurdities of the past (non-drinking heroes, etc.) will be eliminated, there'll be no basic switch from utter escapism.

It's long been the argument of many an ad agency man, and some producers, that when the average viewer turns on his set he doesn't want to have to think—he just wants to relax. That, too, was the guiding principle of most movie makers in turning out product for theatergoers. But TV's a different story—with the addition of the ad-agency theory that it's not wise commercially to provide a "think" drama on TV, because if it becomes too engrossing, viewers will spend the time during commercials discussing the show, instead of absorbing the commercial message. Says one Hollywood executive in TV: "My wife & I talk about the commercials more than we do the shows—some of them are quite interesting."

Fed up with the monumental amount of escapism on TV, Ray Milland once came up with a series project entitled *Controversy*, in which he planned to present stories normally considered too controversial for TV. Ultimately Milland sadly folded his project, giving as his reason the fact that he couldn't find enough stories of this nature. It's more likely wiser heads at MCA, his agents, prevailed. Today Milland is starring in *Markham*, a private eye series. And such top writers as Paddy Chayefsky and Reginald Rose have said they won't write for TV film because of its limited story scope.

Islands of non-escapist drama, of course, will remain in live TV next season—*Playhouse 90*, *U.S. Steel*, *Hallmark Hall of Fame*, *DuPont Show of the Month*, and a large number of specials. However, nobody sees any way to reduce the quantity of escapist fare, and most take the easy way out by riding along with the trend instead of fighting it. It's tough enough to sell a series without making the job insurmountable, they argue. But while the sponsor may feel justified in giving the green light only to utter escapism, he must also face the fact that approximately 40—or more—escapist series are cancelled every spring because of low ratings.

Desilu Productions is seeking producers for its 60-min. *Westinghouse Playhouse* in addition to Bert Granet and Quinn Martin who will produce some of the series.

**Revue's Winter Push:** Revue Productions, leading telefilm company in Hollywood, has a minimum of 4 pilots available for a Dec. sale, if the necessity should arise for a network sponsor to make a quick change about that time. Like CBS' Jim Aubrey (Vol. 15:27), Revue takes the attitude that selling is no longer a matter of seasons, that it's a year-round proposition. The pilots: *Roadblock*; *Johnny Midnight*, (Edmund O'Brien, star) which is produced by Jack Chertok in conjunction with MCA; *Johnny Guitar*, Jack Webb-produced Western which is a co-production deal with Revue; *The Miss & Missile*, starring Gisele MacKenzie. In addition, the MCA telefilm subsidiary is blueprinting several other projects.

The trend at Revue illustrates what is happening more & more frequently around Hollywood. Rather than waiting until the annual spring pilot push, more telefilmers are producing pilots at any time, as soon as they can combine the right property with casting, and other necessary production elements. Meanwhile, Revue is busy constructing several new stages at its Universal City studio; is building new dressing rooms and new prop room.

National Theatres & Television Inc., will be the new name of National Theatres Inc., if stockholders approve the change at a special meeting to be held Aug. 25. Chairman B. Gerald Cantor and John B. Bertero, pres., in announcing the change, said it reflects the expanding activities of the firm in all phases of TV. The company owns WDAF TV & radio Kansas City, KMSP-TV Minneapolis-St. Paul, and NTA, which operates WNTA-TV and WNTA AM & FM, N.Y.C. The firm also recently acquired a community antenna TV system in Williamsport, Pa. Cantor and Bertero said the company plans to expand its TV & radio holdings to the FCC limits, and also plans increased film & tape programming via NTA. If stockholder approval is obtained, as is expected, the company will adopt its new identity Oct. 1, when NT&T and NTA consolidate their offices in new Beverly Hills headquarters. A \$3.5-million, long-term lease for these headquarters has been signed. The building, now being constructed, will also house subsidiary Fox West Coast Theatres. (For more NT news, see Finance, p. 23.)

Guild Films and Vic Tanny, gymnasium chain owner, will merge under the name of Vic Tanny Enterprises Inc. The new muscles & movies combo will have 2 divisions, one the Tanny chain of 70 gymnasiums dedicated to battling middle-aged spread, the other a telefilm production-distribution-financing operation. Terms of the merger, now being finalized by attorneys, have not been disclosed. Tanny would become the largest single stockholder in the new company and be pres. while Guild pres. John Cole would head the company's telefilm division. Tanny is a major buyer of TV spot time, and will find useful Guild's ownership of free airtime aggregated through barter.

"United Artists Playhouse," the 60-min. anthology series proposed by UA TV, may be on NBC in 1960. Herb Golden, UA TV pres., now on the West Coast, tells us negotiations with the network are still in progress, but plans for the series now call for a 1960 start. Golden says UA got into TV originally because the movie producers with whom it has links wanted to do TV—and it's these same producers who will turn out "Playhouse." UA TV plans to produce 39 *Miami Undercover* telefilms, and offer the series for network sale in Dec. Also to be offered then: *Hudson's Bay*, starring Barry Nelson, currently in production at a new studio in Toronto.

**New York Roundup:** More daytime TV specials are in the works at CBS-TV, as predicted in our Vol. 15:24. This fall, there'll be at least 3 more feminine-slanted specials in the *Woman!* series (the first of which drew a May 19 Nielsen audience share of 50.3 with Claudette Colbert as hostess). Lauren Bacall may be the next star name signed as an MC. *Woman!* is under the jurisdiction of Irving Gitlin, creative projects dir. of CBS public affairs.

**Around the world with ABC Films:** Having just signed agreements with 4 foreign organizations, ABC Films reports it has extended its sales representation into every TV market, offering production, dubbing or titling facilities and market analysis. New international associates are Merman Entertainments Proprietary Ltd., Australia & New Zealand; Leo Lax Films with offices in Paris, Rome, Brussels & Munich; TV Inter-Americana, Mexico City, repping ABC Films throughout Latin America, and Kane Lynn & Edward Romero, Manila, for the Far East.

Taped mystery classics, some shot on location abroad, will be the basis of a 12-program series of 1-hr. specials produced for Dow Chemical Corp. by Robert Saudek Associates, which is now scouting the roster of classic whodunits for properties.

Ziv's "Lock-up" has been locked up in 157 markets during the first 6 weeks of selling, for what Ziv sales mgr. Len Firestone terms "a new sales record." New sponsors vary from supermarket chains to oil firms to dairies to private utilities. Ziv also has lined up co-sponsors in several of the 60 markets where American Tobacco has signed for alt. weeks.

NTA's "U.S. Marshal" has been renewed for a second year in 93 U.S. markets by Anheuser-Busch Inc. for Budweiser Beer. Filming of the second round of 39 half-hours is set for an August start at Desilu studios, Hollywood.

Terrytoons, CBS Films subsidiary, reports its theatrical income was 10% greater during the second quarter of this year than in the same period of '58. *Deputy Dawg*, a new Terrytoon TV cartoon half-hour series, is currently in production. Theatrical cartoon releases this year number 16 so far. In another area, the new Terrytoons dir. of commercials is Anderson Craig, formerly head of his own TV commercial production operation.

**Biggest blast at Britain** since Boston Tea Party came in the N.Y. press July 17 in the form of reviews of *Oh, Boy!*, 30-min. filmed rock-'n'-roll import (from London) which debuted the previous night as a summer tryout on ABC-TV, 7:30-8 p.m. Samples: "Ipecac, with a beat . . . rank & ridiculous cavalcade . . . The soloists have the aggressively amateur status of our own teen-age crushes" (Jack O'Brian, *Journal-American*); "Worst summer show of the year . . . Appalling piece of trash" (Sid Bakal, *Herald-Tribune*); "At last England had her revenge. My comment is not only 'Oh, Boy!' but also 'Oh, Crime!', 'Oh, Punishment!' and 'Oh, Hell!'" (Ben Gross, *Daily News*).

Fred Coe, Herbert Brodtkin and John Houseman have been signed to produce six *Playhouse 90* dramas next season . . . Bob Finkel has been signed by Henry Jaffe Enterprises as producer-director of *Dinah Shore Chevy Show*. Charles Isaacs and Carl Reiner head the writing staff and Gordon Wiles has been named associate producer.

"Winter TV Baseball," 90-min. tapes of Cuban League games, will debut in this country come fall. Syndicator Max Cooper & Associates says the 26-week series already is sold to TV stations in N.Y., Chicago, L.A., San Francisco, Provo-Salt Lake City, Pittsburgh, Milwaukee, Richmond, Houston, with deals pending in 12 additional markets. Cooper is installing 2 Ampex Videotape recorders in Havana to tape games & produce syndication copies.

**Hollywood Roundup:** Tony Curtis's starring vehicle for the Ford series on NBC will be *The Russ Columbo Story*, which will be filmed at Revue studios in November . . . NBC has optioned 20th-Fox TV's 30-min. murder mystery anthology series, *Whodunit?* for programming in January . . . Banner Films has acquired rerun distribution rights to *Bold Journey* and *I Search for Adventure*, 2 Jack Douglas-produced series . . . KTLA has bought Sandy Howard's interest in the TV series, *Emergency Ward*.

Rox Productions has been formed by James R. Beardsley, Lew Landers and Alyce Canfield. Its first TV film project is to be a series about Mrs. Marion Miller, who for 5 years was an FBI undercover agent working within the Los Angeles Communist Party. The new company will produce a pilot at Ziv TV later this month.

Purchase of Encyclopaedia Britannica Film Library by KCOP-TV Los Angeles and long-term renewals of the package by WISN-TV Milwaukee, KING-TV Seattle, and KGW-TV Portland, Ore. were announced last week by syndicator Trans-Lux TV Corp. sales v.p. Richard Carlton.

A report that Cary Grant will star in Blake Edwards' new telefilm series project, *Mr. Lucky*, based on an old Grant movie, just isn't so, we were informed by Grant. The star feels *Mr. Lucky* should make a good series, but insofar as his personal participation is concerned, it's non-existent. "I'm going to be busy making 2 movies with my own company, Grandon Productions," he said.

Screen Actors Guild collected \$315,879.64 in TV residuals for members during May. The total rerun money collected from last Nov. 1 to May 31 of this year is \$2,259,088.89. This brings the total SAG has collected for actors since 1953 to \$9,760,841.72.

Biscayne TV Inc., independent telefilm company headed by Del Moore, plans the pilot of *One for the Road*, a series to deal with alcoholics & their problems. A pilot will be taped at KCOP for national syndication . . . ABC has ordered 10 more *Adventures in Paradise* episodes from 20th-Fox TV, bringing the total order to 36.

Robert Horton, star of Revue's *Wagon Train* series, tells us he may star in a movie for Romulus Films in England when he finishes current production on the Revue series . . . Allen Rivkin, ex-producer of Meridian Productions' *The Troubleshooters* for United Artists TV, has been asked by UA TV to produce its *Hudson's Bay* series, now before the cameras in Toronto. He hasn't decided yet whether to take that offer, or develop a Western series he is preparing.

Four Star Films and NBC will be partners in the tele-filming of a 60-min. pilot of *Michael Shayne*, based on the mystery series by Brett Halliday. NBC will share in the financing and have an option on the series . . . Former President Harry S. Truman will guest on one of Jack Benny's Sunday night shows on CBS next fall.

ABC has signed William Colleran to produce & direct the Bing Crosby and Frank Sinatra specials next fall . . . Aldea Productions, a new independent telefilm company, has been formed by director John Peyser and producer-writer Sidney Marshall.

Screen Actors Guild has cautioned its members that any assumption that a merger between SAG and AFTRA in a few months is "wishful thinking," pointing out that a specific plan must first be prepared & studied.

### Obituary

William F. Broidy, 44, independent movie & TV film producer, died in Hollywood July 14 following an illness. He had produced the *Wild Bill Hickok* telefilm series, which starred Guy Madison.

# Trade Report . . . .

JULY 20, 1959

**HAPPY TV DAYS ARE HERE AGAIN:** TV is finally beginning to catch up with the boom in consumer durables. After sluggish first half, dealers are buying new 1960 TV lines at unprecedented rate.

Sales of TV sets to dealers last month set all-time record for June. Preliminary estimate is 498,000 units—125% over recession-battered June 1958's 221,000. Previous June high in shipments to dealers was in record-setting 1955, when figure was 407,000 sets shipped, and year's total sales to public was 7,421,000 sets. (It should be pointed out, however, that June 1955 included only 4 weeks for EIA bookkeeping purposes, whereas in 1959 and most other years EIA's June had 5 weeks.)

June spurt is especially significant because it represents first dealer reactions to innovation-laden 1960 lines. Manufacturers watch dealer sales figures (which are not released to public by EIA) even more closely than retail sales because they're considered more accurate and give more up-to-date reflection of sales trends. And dealers have learned the hard way to buy only what they believe they can sell.

This dealer vote-of-confidence in TV during June brings total first-half sales to dealers to about 2,343,000—which, when seasonally adjusted, constitutes annual rate of about 6 million sets. Last year's first-half dealer-buying figure was 2 million, 15% below this year's sales.

Ultimate arbiter, the consumer, has yet to vote on 1960 sets. But preliminary retail sales figures for first-half 1959 show spurt in June buying by public. June sales to consumers came to about 360,000, some 30% ahead of the 250,000 sold in June 1958. This jump was enough to bring cumulative 1959 sales ahead of 1958 for first time—about 2,279,000 vs. 2,177,652 for first half of 1958.

Set makers aren't disturbed by heavy trend to portables in new upsurge—17-in. set sales are more than double last year's and 14- & 17-in. sets constituted 35% of industry total through May. Profit is back in the portable picture, and manufacturers reason that corresponding sales increase in higher-priced models should come in fall. Only dark cloud on horizon is prospect of long steel strike, which could curtail output of some manufacturers—particularly in the hot-selling portable lines.

Inventories are in excellent shape—another optimistic sign—and there are no indications that there will be any extensive dumping or distress-selling of 1959 models. As set output took its annual sharp post-July 4 dip, marking beginning of vacation shutdowns, TV production through July 10 stood at 2,862,032 as opposed to 2,236,680 in the comparable 1958 period (see table on p. 21). And predictions of a 6-million-set year were beginning to be heard once again in the land.

**MILITARY PERSONNEL IN ELECTRONICS INDUSTRY:** It's no surprise to constant readers of personnel columns in trade press, but House "munitions lobby" investigators are finding that there's heavy concentration of retired military brass on payrolls of electronics firms with big defense contracts.

Nearly one-third of the 721 ex-officers listed by Rep. Hebert (D-La.) & his Armed Services subcommittee as employed by 100 top military manufacturers have been hired by dozen companies in electronic fields—and roster still is incomplete.

House probers have yet to find anything sinister in this fact. They want to find out if retired generals, admirals & lesser ranks are exerting undue influence on Pentagon to get profitable work for their new employers. Initial phase of investigation early this month ended inconclusively, with Philco director Adm. Arthur W. Radford (\$12,000 per year) putting in strong defense of contractors use of former officers' knowhow—and Rep. Hebert himself expressing some misgivings about what probe is accomplishing. Subcommittee then moved into another phase—alleged overcharges of \$12.2 million on Navy contracts reported by General Accounting Office, which listed such contractors as Philco, Westinghouse Air Arm and Collins Radio.

Philco has on its staff 16 retired officers from colonels up in addition to Radford. RCA has 39; GE, 35; Westinghouse, 33; Raytheon, 17; Sylvania, 6; Collins Radio, 5. Others: ITT, 24; General Dynamics, 54; Thompson Ramo Wooldridge, 6; Avco, 4; IBM, 3; Lear, 2. Total: 245 of 721 in biggest defense firms. Unreported to subcommittee: Motorola, General Precision Equipment.

House hearings were sparked by move by Rep. Santangelo (D-N.Y.) to put through conflict-of-interests amendment to defense appropriation bill forbidding employment by defense contractors of officers of general or flag rank within 5 years of retirement. Amendment was narrowly beaten on floor.

**TV-RADIO PRODUCTION:** EIA statistics for the week ended July 10 (27th week of 1959):

	July 3-10	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV .....	73,087	98,426	54,343	2,862,032	2,236,680
Total radio .....	198,096	258,234	103,490	7,308,854	4,767,407
auto radio .....	71,369	108,459	43,167	2,971,990	1,511,114

Sales of picture & receiving tubes for the first 5 months of this year were ahead of 1958, according to EIA figures. May picture tube sales were higher than May 1958, while receiving tube sales for the month were lower. May factory sales of TV picture tubes totaled 667,080 at \$12,-745,620 vs. 696,503 at \$13,275,123 in April 1959 and 560,559 at \$11,237,147 in May 1958. For Jan.-May, the 1959 picture tube total was 3,603,969 at \$69,119,573 and the comparable 1958 figure was 2,963,741 at \$59,024,738. May receiving tube sales totaled 30,612,000 at \$25,904,000 vs. 29,800,000 at \$26,047,000 in April and 36,540,000 at \$31,406,000 in May last year. Five-month 1959 receiving tube sales totaled 164,558,000 at \$142,675,000 vs. Jan.-May 1958 sales of 154,-136,000 at \$134,824,000.

High-speed TV-electronic system which duplicates documents & prints data directly from computers at speeds of 20,000 characters per second was demonstrated recently by the A.B. Dick Co. The Videograph system can be used to send telegraphic messages, to display information on remote TV screens, and to print still pictures instantaneously from a TV camera. Dick research & engineering div. v.p. Alan I. Roshkind said that the system "is compatible with the output rate of today's modern computers" and reads signals directly from magnetic or punched tape. Original documents are fed into a video scanning device which sends electronic signals to the system's cathode-ray electrostatic printing tube. Time Inc. & the Denver & Rio Grande Western Railroad have placed orders.

Expanding Raytheon rides again, with blueprints for an enlarged electronic warfare center at its Santa Barbara, Cal. operation to centralize activities of its govt. equipment div. Raytheon v.p. & div. mgr. Homer R. Oldfield said recently that the Santa Barbara facilities will be expanded within the next 5 years from today's 65,000 sq. ft. to some 220,000 sq. ft. By 1964, employment is expected to reach 1700, with one in every six an engineer.

National Radio Co. Inc. has been established both as a wholly owned subsidiary of National Co. and as the new name for Mutual Electronic Industries Corp, recently acquired by the Malden, Mass. firm. National Radio, 37 Washington st., Melrose, Mass., will continue the manufacture & marketing of elastic cable, plastic panels and other products previously produced by Mutual and the amateur & short-wave receivers heretofore manufactured & distributed by National Co.

First developmental Nuvistor tube—RCA's tiny and radically new vacuum tube design (Vol. 15:11)—is now available to equipment manufacturers on a limited sampling basis. The first type, a small-signal triode, was developed for use as an RF amplifier or local oscillator. A tetrode and a beam power tube will be available later.

GPL employment is at all-time high of more than 2000. The 14-year-old electronics firm began as a one-building plant with 20 employes, now comprises engineering & manufacturing facilities totaling more than 300,000 sq. ft.

RCA's Electronic Music Synthesizer, which can generate any imaginable musical tone, has been installed at America's first electronic music center at Columbia U.

Signs of the TV times: Zenith's 2nd-half TV production will be far beyond original estimates, exec. v.p. Leonard C. Truesdell tells us. Pointing out that he predicted to distributors in June (Vol. 15:23) that his company would sell 100,000 more TVs in 2nd-half 1959 than it did in 2nd-half 1958, he said Zenith now expects to exceed that estimate before the end of August. He described TV-radio business as "excellent . . . wonderful . . . fantastic," stereo sales as "very good." Motorola exec. v.p. Edward R. Taylor, meanwhile, said first dealer showings of the 1960 line resulted in TV orders 106% ahead of last year, table radio 140% ahead, clock radios 420%, hi fi & phonos 159% ahead, stereo category alone 631% ahead (although he pointed out that stereo was just getting started this time last year).

Distributor orders for Emerson TV-radio-stereo models at this year's showing were 50% higher than last year, pres. Benjamin Abrams announced. He said sales of Emerson TV sets for this year's first 6 months were 30% higher than last year's corresponding period, with radio sales running 28% ahead of last year. He predicted that total Emerson sales of home electronic goods and air conditioners in the next 12 months will be 25% higher than in the last 12-month period.

Fast enforcement of FTC anti-trust cease-&-desist orders under the Clayton Act is provided in a Senate-passed bill (S-726) approved by the House. Backed by the Administration, the measure was sent back to the Senate for agreement on minor procedural changes before going on to the White House for signature. Under its terms, FTC orders against mergers, price discrimination, tie-ins, etc. become final—and enforceable by \$5000 fines—60 days after issuance unless they are appealed to the courts. At present, court orders must be obtained to compel compliance. Clayton Act jurisdiction extends to FCC, ICC, CAB & Federal Reserve Board as well as FTC, but the other agencies rarely invoke their authority.

Control of Davega Stores has been acquired by a group headed by Max A. Geller (New Haven Clock & Watch Co. chairman and pres. of Weiss & Geller ad agency), who becomes chairman; Joseph Axler (formerly Waltham Watch Co. pres.), pres.-treas.-chief exec. officer; and Melvin Axler (formerly Waltham exec. v.p.) exec. v.p. & chairman of Davega's exec. committee. Former Davega pres.-treas. H. M. Stein & v.p. Abram Davega become directors. Control of the 27-store Davega operation was obtained, it is understood, with the purchase of slightly more than 40% (nearly \$900,000) of the concern's outstanding shares.

Philco has formed an Italian subsidiary which will operate 2 plants near Milan for the production of Philco TV-radio, refrigerators & electronic equipment. President of the new firm, Philco Italiana S.p.A., is Harvey Williams, Philco International pres.

Hoffman begins most comprehensive ad program in the company's history next month, to introduce its new TV, stereo & radio lines. For the first time the ad schedule will include all ad media in a single campaign, using newspapers, TV, outdoor, national consumer & trade magazines.

**Webcor-Emerson Phfft:** Insiders who were betting all along that Webcor chairman-pres. Titus Haffa would get back the controlling stock he sold to Emerson recently (Vol. 15:25) can pick up their chips. The fracas which was court-bound for showdown ended suddenly when pres. Benjamin Abrams announced last week that Emerson had resold the 130,000 shares in question to Haffa "at a premium"—disclosed by Haffa to be about \$22 per share plus \$100,000 for legal fees & other expenses. Emerson had paid \$20 per share which, at the time of resale back to Webcor was market-quoted at \$14.

"My decision to regain my holdings despite the cost," explained Haffa, was prompted by "countless" messages from shareholders, distributors and employes urging him "to remain in my present capacity and to keep Webcor, a Chicago company, independent of other organizations." Abrams, described by Haffa as "one of America's outstanding industrialists," said that Haffa had "failed to carry out material provisions" of the original purchase agreement. The fracas developed when Haffa attempted to void the deal on the grounds that it involved conditions which were impossible of fulfillment.

Radio sales last year were higher than EIA figures indicate, says the broadcaster-supported Radio Advertising Bureau, citing the influx last year of "2.2 million Japanese radio sets," primarily transistor portables, which makes the 12,577,000 figure for radios (including auto sets) sold last year "almost 20% too small." The 14-million-plus figure that would thus be derived by adding Japanese sets "puts radio set sales at a level fully 3 times greater than the sale of TV sets in the same period."

RCA has joined 8 other industrial firms providing financial backing for next season's college credit *Continental Classroom* chemistry course in color on NBC-TV 6:30-7 a.m. Mon.-Fri. (Vol. 15:22). RCA's contribution was \$100,000. Other backers: Union Carbide, Bell Telephone, DuPont, General Foods Fund, IBM, Pittsburgh Plate Glass Foundation, Standard Oil of Cal., U.S. Steel.

Ban on use of portable radios by passengers of international air carriers in flight was approved by the Civil Aeronautics Board last week. Agreement by members of the International Air Transport Assn. said that radios might interfere with radar & other navigation equipment. Domestic air carriers in the U.S. have been warned of the hazard but have no similar agreement.

RCA sound tape cartridges for home recording are now available from distributors. The blank tape cartridges, listing at \$4.50, are for use in the new tape cartridge recorders, provide 2 hours of monaural or one hour of stereo listening at 3¾ inches per second.

Widespread opposition among admen to a national fair-trade law is reported by *Printers' Ink*, on the basis of its "Executive Panel" survey of agency & industrial executives. Of 419 respondents, 70% expressed opposition.

Eitel-McCullough will add 53,400 sq. ft., with a 27,000-sq.-ft. addition to its San Carlos facilities, and 26,400 sq. ft. leased in Belmont, Cal. for additional research & engineering operations.

TV technician licensing bill, passed by Ill. House of Representatives, has been killed by the state's Senate licensing committee.

Merger of Hewlett-Packard & Dymec Inc. (Vol. 15:25) has been approved by H-P stockholders.

**Trade Personals:** David I. Margolis, ex-Raytheon asst. treas., named asst. to ITT pres. H. S. Geneen . . . Morris Harris, ex-Du Mont Labs asst. legal counsel, joins International Resistance to take new post as govt. contract administrator . . . Frank A. Gunther, v.p. since 1929, elected exec. v.p. of Radio Engineering Labs, subsidiary of Dynamics Corp. of America . . . George A. Strichman named to new post of Raytheon director of mfg. services.

Wallace F. Baker named mgr. of renewal sales, Westinghouse electronic tube div., headquartering in Elmira, N.Y., succeeding John J. Doyle, now Midwest sales mgr., headquartering in Chicago. Doyle replaces Harold G. Cheney, who retires Oct. 1 after 39 years with Westinghouse. Raymond W. Andrews, mgr. of sales planning & inventory control, appointed mgr. of Westinghouse renewal market administration.

Walter S. Bower named pres. of Gen. Transistor Intnatl. Corp., subsidiary of Gen. Transistor. George Cohen appointed v.p.-controller of Gen. Transistor Distributing Corp. . . . Robert Pappas, former Ampex Corp. quality control mgr., named mgr. of new subsidiary Ampex Military Products Co. . . . Howard A. Zeimer promoted to mgr. of CBS Labs' military liaison dept. . . . Bernard R. Garrett becomes acting chief engineer, Loral Electronics.

Edward O. Johnson named advanced development mgr., RCA semiconductor & materials div., succeeding Dr. W. M. Webster, now RCA Labs administrative engineer. William Olander, ex-Bell Labs, named technical staff leader, Needham (Mass.) materials lab . . . H. Ernest Ammann, ex-Western Electric, named production mgr., Foto-Video Labs . . . Joseph Levitsky, ex-Bogen-Presto Co., appointed chief engineer, Fanon Electronic Industries (phonos) . . . Henry P. Steier, ex-Federal Aviation Agency, joins Lear Inc. as corporate PR dir.

Virden E. Scranton, ex-gen. merchandise mgr., named asst. mgr. for business & engineering services, Motorola semiconductor div. Dr. Robert E. Samuelson appointed asst. gen. mgr. for research & development, Motorola Western electronics center, Phoenix . . . S. Barton Pope, managing dir. of Pope-Motorola Ltd., Australian Motorola licensee, has been knighted by Queen Elizabeth.

GE has cut prices of silicon-controlled rectifiers as a result of new mass-production equipment. The tiny components, which have made possible significant simplification of TV studio lighting and industrial controls, act as rectifier and current regulator simultaneously. Price reductions range from 14% on the 10-amp 300-volt rectifier to 25% on the 16-amp 200-volt model.

June boom at Muntz TV, with sales (\$465,599) 123% ahead of June 1958, forced the Chicago firm to cut the plant vacation period from 3 weeks to one (with employes paid for the full vacation time). V.p. & sales dir Jack Simberg said that the June sales were also 5% ahead of May, reversing normal June business which usually runs some 10% under the May volume.

Contract to design electronic air conditioning system for submarines has been awarded to RCA by Navy. System will be based on work at RCA Labs in development of thermo-electric panels which cool without moving parts

### Obituary

Joseph Lush, 83, chairman of Hammarlund Mfg. Co. N.Y., and a director of the firm since 1922, died July 15 at Monmouth Medical Center, Long Branch, N.J. He is survived by his wife, 2 stepsons and 4 grandchildren.

## Finance

**Entron Inc.**, Bladensburg, Md. supplier of coaxial cable equipment & components, principally for community antenna systems, seeks SEC registration (File 2-15345) of 200,000 common stock shares for public sale at \$5 per share. The underwriter is Alkow & Co. N.Y., which will make the offering on a "best efforts" basis, receiving a selling commission of 75¢ per share, plus \$22,500 in expense allowance, plus a warrant for purchase within 5 years of one share at \$5 for each 10 shares sold to the public. Entron has 121,935 shares outstanding now. Of the proceeds from sales of additional shares, \$35,000 would be used to produce components supplied by subcontractors, \$767,000 for interim financing of cable transmission systems.

**Microwave Electronics Corp.**, Palo Alto, Cal. firm organized in March to develop & manufacture point-to-point communications equipment and other electronic devices, has asked the SEC (File 2-15316) to register \$500,000 of 10-year subordinated debentures and 387,000 common stock shares. The company proposes to offer the debentures and 250,000 common shares for public sale in \$10,500 units, reserving 137,500 shares at 10¢ per share for promoters, officers & directors. No underwriting is involved.

**Foto-Video Labs Inc.**, Cedar Grove, N.J. producer of TV & other electronic equipment, has filed SEC registration (File 2-15362) of 150,000 class "B" common shares for public sale at \$2 per share through Arnold Malken & Co. Inc. The firm said \$50,000 of anticipated proceeds would be used for a TV camera development, \$25,000 to develop other industrial electronic control equipment, \$25,000 to repay bank loans, \$45,000 for sales promotion, \$90,000 for working capital.

**National Theatres** plans to reopen its exchange offer to NTA stock and warrant holders in Aug. or Sept. NT said the reopening will be made in response to requests by holders of small amounts of NTA stock & warrants who didn't take advantage of the original offer. The original offer expired April 6, after holders of 89% of NTA common and 79% of NTA warrants made the exchange. Terms of the reopening will be the same as the original offer—each NTA share or warrant would be exchanged for \$11 of 5½% sinking-fund subordinated debentures and a warrant for the purchase of a quarter-share of NT common. (For other NT news, see p. 18).

**National Co.** stockholders approved a 2-for-1 stock split and an increase to 1.6 million from 650,000 in the number of authorized common shares. Chairman Herbert C. Guterman said the increase in shares "will make stock available for favorable acquisitions & working capital." Distribution of the new shares will be made Aug. 2 to stockholders of record July 20.

**Ling-Altec Electronics**, for 6 months ended June 30, reports net income of \$719,111 (51¢ share) on sales of \$11,294,000. For 3 months to June 30, net income was \$570,640 (40¢ a share) on sales of \$6,263,000. No comparative figures for 1958 periods are available.

**Standard Radio Ltd.** (parent of radio CFRB Toronto) reports net profits of \$171,124 (79¢ a share) for the year ended March 31, vs. \$145,967 (68¢) the preceding year. Dividends from CFRB to Standard Radio totaled \$175,000. As of March 31, Standard's current assets were \$265,194, of which \$263,181 was cash. Investments in subsidiaries were carried at a cost of \$170,305, current liabilities were \$33,664. One year earlier, current assets were \$225,071, current liabilities \$35,672.

**Ross Mfg. Co.**, Chicago manufacturer of TV components, has been purchased by Advance Aluminum Casting Corp. of Chicago, and will continue operations as Advance Ross Electronics Corp. All outstanding shares were bought from pres. Kenneth B. Ross and secy.-treas. Mrs. Violet Mitchell. Ross received \$896,910 and a non-interest-bearing note for \$20,000, and Mrs. Mitchell received \$3090.

**Barnes Engineering Co.** reports consolidated net income of \$194,240 (60¢ a share on 324,570 common shares) for 43 weeks ended April 25. The figures were contained in an application for listing on the American Stock Exchange.

**Electro-Voice**, for 3 months ended May 31, reports net income of \$41,681 vs. \$39,012 for the comparable 1958 period. Net per share decreased from 10¢ to 9¢ because of the greater number of shares outstanding at the end of the 1959 period.

**Transcontinent TV Corp.**, multiple station owner, will recommend a 2-for-1 split of its present stock plus the issuance of 500,000 more shares at a stockholders meeting early in Aug. Approval of the plan would increase the number of authorized shares to 1,520,000.

**Tisch Hotels** (N.Y.'s Belmont Plaza, Miami's Americana) is now the largest stockholder in Loew's Theatres Inc., having acquired approximately 15% of the outstanding shares. Loew's Theatres' only broadcast property is radio WMGM N.Y.

**Motorola 2nd-quarter profits** were about \$3,090,000 (\$1.58 a share) and sales were \$65,300,000, compared with \$800,515 (41¢) & \$43,650,070 during the same 1958 period, according to informal estimates by company sources.

**Offering of Crosby-Teletronics stock** (250,000 shares) through Myron A. Lamosney & Co. (Vol. 15:22) has been priced at \$3.375 a share.

**CBS Inc.** has asked SEC (File 2-15342) to register 261,797 common stock shares for purchase by employees in its stock option plan.

**Reports & comments available:** Crosby-Teletronics Corp., prospectus, Myron A. Lomasney & Co., 39 Broadway, N.Y. . . . Baird-Atomic Inc., prospectus, White, Weld & Co., 20 Broad St., N.Y. . . . Philco, comment, Purcell & Co., 50 Broadway, N.Y. . . . Lab for Electronics, review, H. Hentz & Co., 72 Wall St., N.Y. . . . Ling-Altec Electronics, report, Hay, Fales & Co., 71 Broadway, N.Y. . . . Electro-Voice, report, Eastman, Dillon, Union Securities & Co., 15 Broad St., N.Y. . . . Packard-Bell, review, Ralph E. Samuel & Co., 115 Broadway, N.Y. . . . Sperry Rand, report, Reynolds & Co., 120 Broadway, N.Y.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
GE Ltd. (England) . . . .	final	7%	Sep. 21	Aug. 13
Gross Telecasting . . . .	Q	\$0.40	Aug. 10	July 24
Gross Telecasting "B". . . .	Q	.07½	Aug. 10	July 24
Intl. Resistance . . . . .	—	.05	Sep. 1	Aug. 14
National Theatres . . . . .	Q	.12½	July 30	July 15
Outlet Co. . . . .	—	1.25	Aug. 1	July 20
Thompson Ramo W. . . . .	—	.35	Sep. 15	Aug. 31

East Coast subscribers who wish to receive their copies via Special Delivery at their home addresses on Sunday may do so by addressing our circulation department. U. S. Special Delivery subscribers will be billed additionally \$15.60 per year; Airmail-Special Delivery \$19.22.

GE's first-half earnings were 13% above the 1958 level, while sales increased 4%. Chairman Ralph J. Cordiner said that 3 of the company's 4 principal product classifications showed increases during the period, and shipments of heavy electrical equipment declined. He said the company is encouraged by indications of increased consumer spending on durable goods. The consolidated GE statement for 6 months ended June 30:

	1959	1958
Sales & services .....	\$2,065,447,000	\$1,978,994,000
Net income .....	117,239,000	103,381,000
Earned per share ....	1.34	1.18
For 3 months to June 30:		
Sales & services .....	\$1,088,879,000	\$1,014,028,000
Net income .....	64,461,000	54,197,000
Earned per share ....	74¢	62¢

General Instrument Corp. reports record fiscal first-quarter sales and a 130% increase in net profits compared with the same 1958 period. Chairman Martin H. Benedek said the company's total backlog is \$28.5 million, including a record \$19.1 in military orders. TV-radio component shipments were up 30% above last year's first quarter, semiconductor sales up approximately threefold, military sales double those of the 1958 period. For 3 months ended May 31:

	1959	1958
Sales .....	\$12,728,861	\$8,679,027
Net earnings .....	211,129	87,916
Earned per share .....	14¢	6¢
Shares outstanding .....	1,497,723	1,373,273

### COMMON STOCK QUOTATIONS

Week Ending Friday, July 17, 1959  
Electronics TV-Radio-Appliances Amusements

#### NEW YORK STOCK EXCHANGE

1959					1959				
High	Low	Stock	Close	Wk. Chg.	High	Low	Stock	Close	Wk. Chg.
29 1/2	17 1/2	Admiral	23 3/4	+ 3/8	50 1/2	36 1/2	I-T-E	48	- 1/4
39 3/4	29 1/2	AmBosch	32 3/4	- 1 1/4	127 3/4	72 1/2	Litton	123 3/4	+ 6 1/2
29 3/4	20 1/2	AB-PT	28 3/4	- 1/8	37	27 3/4	Loew's	30	- 5/8
84 1/2	61 1/4	Ampex	78 1/4	—	70	48 1/4	Mgnvox	60 1/2	+ 1 1/2
89	75 1/2	AT&T	80 1/4	- 3/4	48 3/4	36 3/4	Mallory	43 1/4	- 1 1/4
46 3/4	32 1/4	Amph-Borg	37 3/4	- 1	142	111 1/2	MplsHill	141 1/2	+ 2 1/2
36 3/4	23 1/2	Arvin	24 1/4	- 1 1/2	130	57 1/2	Motorola	111	- 1/4
17 3/4	10 1/2	Avco	14 3/4	- 3/4	12 1/2	9 3/4	NtlThea	11 3/4	- 3/8
74 3/4	36 1/4	BeckInst	67 3/4	+ 8 3/4	45 1/4	42	Pckrd-Bell	42	—
89	66	Bendix	78 1/2	- 2 1/2	50 3/4	44	Paramnt	47 1/2	- 3/4
38 3/4	24 3/4	Clevite	35 1/4	- 1	36 3/4	21	Philco	28 3/4	- 1 1/2
48 3/4	35	CBS	46 1/4	- 1 1/4	71	43 1/2	RLCA	68 3/4	- 1 1/2
24 1/2	17	Col Pict	22 3/4	+ 3 3/4	73 3/4	51 1/2	Raythn	55	- 1/4
42 3/4	33 3/4	ConsElec	41 3/4	+ 2 5/8	11 3/4	8 1/2	RepbPic	10 1/4	- 3/4
50 1/4	33 1/2	CnsElInd	49 3/4	+ 2	45 3/4	26 1/2	Siegler	33	+ 3/4
30 1/2	20 3/4	Cor-Dub	25 1/2	- 1 1/2	9 1/2	6 1/2	Sparton	7 3/4	- 1/2
140	89 3/4	Corning	138 3/4	- 1 1/4	28 1/4	21 1/4	SpryRnd	24 3/4	- 1
49 3/4	34	Daystrm	44 1/2	+ 2 3/4	23 3/4	14 3/4	StdCoil	17 3/4	- 3/4
21 1/4	17 1/4	Decca	20 1/4	- 5/8	34 3/4	18	StanWar	34 3/4	+ 3/4
59 1/2	41 3/4	Disney	40 1/2	- 1 1/4	57 1/2	42 1/2	StewWar	55	- 1 1/4
69 3/4	48 3/4	EmrElec	66 3/4	- 1 1/4	33 1/2	24 1/2	Storer	31	- 1/4
26 3/4	13 3/4	EmrRad	19 3/4	- 1/2	13 3/4	9	Telautog	11 1/2	+ 1/4
33	12 3/4	Gabriel	22 3/4	+ 1 1/4	159 1/2	61 1/4	TexInst	152 1/2	+ 10 3/4
42 1/2	34 1/4	GnBrnze	39 1/2	+ 1 1/4	70 1/4	56 1/4	TmpR-W	63 1/2	- 3 3/4
84 3/4	74 3/4	GE	81 1/4	- 1 3/4	54 3/4	34 3/4	Tng-Sol	44 1/2	- 1 1/4
38 3/4	16 1/2	GenInst	28 3/4	- 3/4	43 1/2	34 3/4	20thFox	37 3/4	- 1/4
73 3/4	60	GenTel	71 1/2	- 5/8	32 1/4	24 3/4	UA	30 1/4	- 3/4
83	44 1/4	GenTire	74	+ 2 3/4	47 3/4	24 3/4	WarBros	43 3/4	+ 1 1/4
37	28 3/4	Hoffman	32 3/4	- 1/4	98 3/4	70 1/2	Wstghse	91 3/4	- 5 3/8
488	385 1/2	IBM	440	- 8 1/2	136 3/4	92 1/2	Zenith	121 1/2	+ 2 1/2
45 1/2	28	ITT	37 1/4	- 3/4					

#### AMERICAN STOCK EXCHANGE

1959					1959				
High	Low	Stock	Close	Wk. Chg.	High	Low	Stock	Close	Wk. Chg.
5 3/4	3 3/4	AlliedArt	5	+ 1 1/8	22 3/4	7	IntRes	19 3/4	+ 3/4
19 3/4	11 3/4	AmElec	16 3/4	+ 1	19 3/4	9 1/2	Lear	14 3/4	- 5/8
26 1/2	15 1/4	AudioDev	20	- 1 1/8	2 3/4	1 1/4	MntzTV	2 1/4	- 1/4
22 3/4	10 3/4	Belock	20	+ 1 1/2	12	5 1/2	Muter	8 3/4	- 3/4
10 1/4	4	Clarostat	8	+ 1 1/4	4 3/4	2 3/4	NatUnion	3 3/4	+ 1 1/4
9 3/4	6	DuMont	7 3/4	—	48 3/4	23 1/2	PhlpsEl	49	+ 5 1/4
12 3/4	5 3/4	Dynn	5 3/4	—	43 1/2	14 3/4	ServoCp	30 3/4	- 1 3/4
44 3/4	28 3/4	ElecCom	39 1/4	- 1	18 3/4	9	Servomec	12 3/4	- 3/4
16 3/4	9 3/4	ElecCp	10 3/4	- 3/4	10 3/4	5 3/4	Skiatron	6 1/4	- 1 1/4
2 1/4	1	El-Tron	1 3/4	+ 1 1/4	17 3/4	9 1/2	Sonotone	13 3/4	+ 3/4
138 3/4	50 3/4	Fairch	179	- 21	9 3/4	6 3/4	Teclchr	7 3/4	- 1 1/4
88 3/4	49	GenTrns	90 3/4	+ 14 3/4	22 1/2	9	Telehrmp	21 1/2	+ 4 3/4
3	1 3/4	GldFlms	2 3/4	- 3/4	7 3/4	4 3/4	TeleInd	5	+ 1 1/4
75	54 1/2	Hazltne	30	- 3/4	14 3/4	7	TrnsLux	11 1/4	- 1 1/4
12 3/4	5 3/4	HrdRad	9 3/4	+ 3/4	19 3/4	6 3/4	Vctreen	17 3/4	+ 2 1/2

#### OVER THE COUNTER AND OTHER EXCHANGES

The following quotations, obtained from the National Association of Securities Dealers Inc., do not represent actual transactions. They are intended as a guide to the approximate range within which these securities could have been bought or sold at time of compilation.

Stock	Bid	Asked	Stock	Bid	Asked
Advance Ind	2 3/4	3 3/4	Magna Theater	2 1/2	2 1/2
Aerovox	11 3/4	12 3/4	Maxson (W.L.)	11 1/2	12 3/4
AMP Inc	35 1/2	38 3/4	Meredith Pub	36 1/2	39 3/4
Baird Atomic	12 1/4	14	Metropolitan Bcstg	17 1/4	17 3/4
British Ind	29 1/2	32 1/2	Microwave Associates	21	23
Capital Cities TV	9 3/4	10 1/2	National Co.	13 1/2	14 3/4
Cinerama Prod	2 3/4	2 3/4	Official Films	1 1/2	1 3/4
Collins Radio	34 3/4	37 1/4	Orr Ind	33 3/4	36 1/4
Cook Elec	42 1/4	45 1/4	Pacific Mercury	10 3/4	11 3/4
Craig Systems	10 3/4	11 3/4	Panellit	6 1/4	7
Eitel-McCullough	43 1/4	46 1/4	Perkin-Elmer	55 1/4	58 3/4
Elec Assoc	44	48	Philips Lamp	84 3/4	88
Erie Resistor	9 3/4	10 3/4	Sprague Electric	54 3/4	58 3/4
Giannini, G.M.	28 1/4	29	Tele-Broadcasters	1	1 1/2
C-L Electronics	12 1/2	13 3/4	Telechrome	17 1/2	19 3/4
Granco Products	4 1/4	4 3/4	Telecomputing	10 3/4	11 3/4
Gross Telecasting	23 1/2	24 1/4	Time Inc.	64 3/4	68
Hewlett-Packard	46 1/4	49 1/4	Topp Ind	34 3/4	14 3/4
Hycon	2 3/4	3 3/4	Tracerlab	11	12 1/4
Jerrold	6 3/4	7 3/4	United Artists	8 3/4	9 3/4
Leeds & Northrup	35	37 1/2	Varian Associates	35 3/4	38
Ling-Altec	26 3/4	28 3/4	Wells-Gardner	16 1/4	17 3/4
Ling Electronics	26 3/4	28 3/4	Wometco Ent.	11 1/2	12 1/2
Machlett Labs	27	29 1/4			

Where a stock dividend or split amounting to more than 25% has been paid, the year's high-low range is shown for the new stock only. — No change during week. \*Trading began July 14.

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# WEEKLY **Television Digest**

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JUL 27 1959

VOL. 15: No. 30

JULY 27, 1959

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

## SUMMARY-INDEX OF WEEK'S NEWS

### Manufacturing & Distribution

**SET MAKERS PLUG "FINEST SHOWS"** in one-month campaign geared to top-notch fall programs. Material to appear in newspaper ads, store windows (p. 1).

**"TUNNEL DIODE," MADE-TO-ORDER** for TV and thousands of other uses, unveiled by GE. Cheaper than transistor, it oscillates at TV frequencies with low noise level (p. 16).

**FIGHT ELECTRONIC IMPORTS** with "buy American" campaign, labeling of sets with foreign parts, urges Muter. Component makers say imports haven't hurt them (p. 16).

**OPTIMISM HIGH DESPITE STEEL STRIKE:** Manufacturers agree 6-7 week strike could hurt TV-radio, but other indicators point to continued good business (p. 17).

### Congress

**SENATORS SCORN BAN** on own "influence" in ABA bill prohibiting off-record contacts in agency cases. Minority leader Dirksen leads attack (pp. 2 & 4).

**ZERO HOUR FOR LAR DALY** equal-time ruling nears. Senate committee takes exemptions to floor for vote. House committee endorses bill (p. 3).

### Programming

**TRAFFIC JAM IN SPECIALS** is developing, as producers, packagers & agents duplicate in ideas (p. 12).

### Advertising

**BIG BREWERS PACE FILM BUYS** as new syndicated shows are lined up for fall regional deals in a long list of major markets. Tobacco, food, oil firms are also active (p. 14).

### FCC

**"VOICE" VS. NETWORKS**—the official story placed in FCC's record. Firestone witnesses tell story of preemptions by NBC & ABC, but they're not mad at anybody (pp. 3 & 6).

**FCC'S "CARROLL" PHILOSOPHY** on "economic injury" vs. public benefits from station competition spelled out in Carrollton-Bremen (Ga.) radio decision (p. 5).

**BOSTON "INFLUENCE" CASE** brings demand by Justice Dept. that Ch. 5 grant to WHDH-TV be revoked. Govt. brief concurs with FCC counsel's findings (p. 7).

### Networks

**1958-1959 YARDSTICK** for ABC differs from the CBS long-range view reported last week, with ABC claiming rating gains this season where other networks had none (p. 7).

**NETWORK TV AD REVENUE** continues ahead of last year—up 9% for first 5 months, compared with 6% for all ad media (p. 8).

### Foreign

**THERE'S GOLD IN FOREIGN** market for U.S. telefilm shows; single film outside U.S. can now gross \$17,500 (pp. 2 & 11).

### Finance

**RECORD SALES FOR RCA** in first half total \$633.7 million, profits rise 44% to \$13.5 million. Burns attributes increase to diversification (p. 20).

### Other Departments

**STATIONS** (p. 9) **AUXILIARY SERVICES** (p. 12). **FILM & TAPE** (p. 14).

**SET MAKERS PLUG PROGRAMS:** The telecasters' "circulation managers"—manufacturers of TV sets—are ready to launch their constructive drive to call attention to what's good about TV programming (Vol. 15:21). If all segments of TV distribution trade join in, the number of impressions made by this campaign should be phenomenal.

Theme of drive, under aegis of EIA, will be slogan, "The FINEST Shows of All Are on TV This Fall." Twelve set manufacturers are expected to join in, all using distinctive 1- & 2-column mats in their national newspaper advertising Aug. 15-Sept. 15, with distributors supplying similar mats to retailers for use in their own advertising.

Some 37,000 retailers are due to receive large colorful window banners in mail from EIA by Aug. 10, carrying same slogan. Stores are being asked to supplement them with promotional material from local TV stations. Telecasters will also be requested to use slogan in IDs, etc. Campaign was developed by special 3-man top-level committee headed by Zenith's Leonard C. Truesdell with Motorola's Edward R. Taylor and Warwick's Charles N. Hoffman. Zenith is furnishing art for banners & mats, and manufacturers are being asked to supply mats to distributors & dealers.

Cost of entire impact program is expected to be less than \$1000 per manufacturer. Zenith's Truesdell explains: "Of course, we won't promote any specific TV shows—but we want to call the public's at-

tention to the broadcasters' attempt to improve their programming with specials and other fine shows, and to renew viewing interest in the wide variety of shows available to the public."

Telecasters can get information on how to participate in promotion program from EIA, 1721 DeSales St. N.W., Washington. If campaign succeeds, it will be landmark in TV history, marking first concerted drive by receiver manufacturers to call public attention to excellence of programming provided by American telecasters. Significantly or not, most of work in organizing & laying out drive was done by Truesdell, whose Zenith Radio Corp., as No. 1 pay-TV proponent, has often been the most carping critic of the quality of free TV programming.

**TELEFILM'S OVERSEAS DOLLARS:** More than a dozen U.S. telefilm distributors, ranging the corporate alphabet from ABC Films to Ziv TV, are now selling in excess of 150 TV film series in some 50 countries overseas. Film salesmen—modern Marco Polos—now cover their enormous beat with jetliners.

Total value of this market is anybody's guess. Syndicators usually play foreign sales close to the vest. A few are unduly optimistic. Guesstimates by members of foreign sales teams we've contacted, however, put gross overseas telefilm income anywhere from \$20 million to more than \$30 million annually.

Movies still do a bigger share of film business overseas than does TV. Major theatrical features today earn up to 56% of their revenue outside of U.S. Telefilms, by comparison, may do 20% of total business overseas, although this figure may grow as worldwide TV expands and market restrictions disappear.

Maximum per-episode earning is about \$18,500 overseas, we're told by ITC's dir. of international sales Abe Mandell. That's figured on the top telefilm price in every market (for country-by-country breakdown, see p. 11). Since this can be 50% of a show's original talent & production budget (not counting language dubbing), it's an attractive earning, enabling producers to (1) keep down U.S. price on a show, or (2) add more production values.

Despite travel, sales costs are cheaper overseas. Syndicators generally figure 30-35% of domestic U.S. revenue is taken up with costs of sales force & distribution. Foreign telefilm sales costs, on the other hand, are estimated to be only about 20% of total foreign gross.

**SENATORS SCORN BAN ON OWN 'INFLUENCE':** No laws forbidding backdoor approaches to FCC by politicians & others seeking to influence its decisions will be passed at this session of Congress—or in foreseeable legislative future. Even if they got as far as the Senate floor (which is unlikely) they'd be debated to death.

Chances of such agency reform bills never were bright—despite much pious talk—even at height of excitement over last year's House exposes of ex-parte finagling in FCC cases. As we pointed out in editorial more than year ago (Vol. 14:25), basic trouble is that members of House & Senate themselves regard political influence as their privilege & prerogative.

Outlook for reform legislation was reduced to extinction last week in Senate by some frank talk on subject by Minority Leader Dirksen (R-Ill.), Majority Whip Mansfield (D-Mont.) & Commerce Committee Chairman Magnuson (D-Wash.).

Candid talk was started unexpectedly by Dirksen. He served notice on his own Judiciary subcommittee on administrative practice & procedures which had just started another series of hearings on subject (see p. 4), that he'll have no part of any influence-bans which affect members of Congress.

Off-record contacts with regulatory agencies in behalf of constituents & friends are part of his 25-year political practice in Washington, and he'll continue them as long as he's in Senate, declared Dirksen. His stand was applauded by other Senators on floor. Effect was that Senate subcommittee's hearings under Sen. Carroll (D-Colo.) were virtually torpedoed before they got under way.

If there's any moral to be drawn from this, it probably is that backdoor approaches to agencies may be improper when made by non-politicians, but that members of Congress are politicians elected by constituents whose interests (including TV channels) must be served.

While Dirksen et al. were unraveling things at one end of Pennsylvania Ave., FCC was trying to tie them together at the other—in conformity with decision of U.S. Court of Appeals in the St. Louis-Springfield Ch. 2 shift (Vol. 15:19).

Commission issued a "rule-making on rule-making," proposing to set up "special" kinds of rule-making proceedings in which it would specifically refuse to talk to anyone except on the record. Commission

doesn't spell out what kinds of rule-making will be special, says it will announce its views on a case-by-case basis. Its guide, of course, will be Court of Appeals' language which referred to rule-making involving "resolution of conflicting private claims to a valuable privilege."

Commission hopes to limit the number of special rule-makings to keep itself as free as possible to gather information. Says one FCC attorney, for example: "I'd hate to see the Commission close itself up on a rule-making such as shifting all TV to new channels, and the like."

New proposal runs only 5 pages, labeled docket 12947, and comments on it are due Aug. 24. (FCC doesn't say whether it will reject off-the-record comments on it.)

**'VOICE' VS. NETWORKS—THE OFFICIAL STORY:** The Voice of Firestone has spoken— and its story—the Firestone version—is now on the FCC record. Until NBC's & ABC's sides are given, presumably some time this winter, the record will show that Firestone was treated rather brusquely.

Firestone executives made it clear, during Commission's network hearing last week, that neither network did anything illegal in bumping the Voice—NBC in 1954, ABC this year—but they also indicated their feeling that they'd been shoved around.

Firestone witnesses apparently bear no grudge. While they told of being "shocked, astonished & surprised" at being preempted, they emphasized that they have "no axe to grind" with the networks, no desire to "put anyone on the spot," and nothing but the most "cordial relations" with the networks.

FCC counsel offered networks chance to testify in rebuttal immediately, but latter chose not to at this time. Hearings resume on unspecified subjects about Oct. 1, according to presiding officer James Cunningham & chief FCC counsel Ashbrook Bryant. At end of whole proceeding, Bryant said, networks are expected to give their views on all issues of the inquiry.

"Voice of Firestone" story is combination of emotion & business. Firestone family is much attached to the show despite its modest rating, preferring it to "Disneyland," for example, over the pleas of its ad director who vainly & wistfully sought to impress the Firestones with the "endless merchandising possibilities" of Disneyland. But Firestone hierarchy didn't want its rating to decline, either, so they were adamant in refusing any period other than sometime between 8 & 10 p.m. And they weren't impressed with plight of networks, which had trouble selling shows following Voice because of low audience carryover. (For hearing details, see p. 6.)

## Congress

**ZERO HOUR FOR LAR DALY:** Congressional decks were nearly cleared for action to overturn FCC's Lar Daly political equal-time newscast ruling (Vol. 15:19) last week. The Senate Commerce Committee headed by Sen. Magnuson (D-Wash.) took its own unanimously-approved Lar Daly bill (S-2424) & report on the newscast issue (No. 562) to the Senate floor. The measure exempting TV & radio news shows from the Communications Act's Sec. 315, was placed on the legislative calendar, ready to be called up by Majority Leader Johnson (D-Tex.) at any time.

The House Commerce Committee chaired by Rep. Harris (D-Ark.) approved—by an "almost unanimous" vote, according to him—an amended version of the chairman's already-rewritten bill (HR-7985) nullifying the Lar Daly decision. Next step for Harris: Clearance with other House leaders for a floor vote.

Broader than the House measure, the Senate committee's bill was introduced formally by Chairman Pastore (D-R.I.) of the communications subcommittee and will bear his name instead of Magnuson's as the author. It says: "Appearance by a legally qualified candidate on any newscast, news interview, news documentary, on-the-spot coverage of news events, or panel discussion shall not be deemed use of a broadcasting station within the meaning of this subsection."

The Pastore measure also provides for re-examination

by Congress of Sec. 315 within 3 years and periodic reports by FCC on equal-time developments. The accompanying committee report says: "In establishing this category of exemptions from Sec. 315, the committee was aware of the opportunity it affords a broadcaster to feature a favorite candidate. This is a risk the committee feels that is outweighed by the substantial benefits the public will receive through use of this dynamic media in political campaigns.

"Every reasonable safeguard must & will be established to prevent any partisan broadcaster from abusing this new right. The committee has faith in the maturity of our broadcasters & their recognition to serve public interest. The committee feels that the proposal contained in this legislation is in the public interest & worth the risk of being taken when contrasted with the alternative which is a blackout in the presentation of legally qualified candidates in the news-type programs. Broadcasting journalism is a way of our life as is reporting through newspapers & magazines. The public has become dependent upon it & is entitled to it."

As finally reported out by the House committee after 2 days of closed-session editing, the Harris bill says: "Appearance by a legally qualified candidate on any bona fide newscast (including news interviews) or any on-the-spot coverage of news events (including but not limited to political conventions & activities incidental thereto) where the appearance of a candidate on such newscast, interview, or in connection with such coverage is incidental to the presentation of news, shall not be deemed to be use of a . . . station within the meaning of this subsection."

Political conventions hadn't been mentioned specifically in exemptions from Sec. 315 provided in an earlier Harris bill version recommended by his communications subcommittee. The full committee stuck the reference in to make sure that no convention delegate would suffer from network coverage discrimination because of misunderstanding of the meaning of "spot" news coverage.

The House committee otherwise accepted most of the language of the subcommittee's rewrite of the original Harris bill, which, as first drafted, had proposed exemptions not only for newscasts but news documentaries, panel discussions & "similar type" shows (Vol. 15:29).

Meanwhile there were some reverberations in Washington—but no thunder—from a hassle between presidential hopeful Sen. Humphrey (D-Minn.) & CBS over the network's cancellation of his scheduled July 19 appearance on *Face the Nation* (Vol. 15:28).

Sen. McCarthy (D-Minn.) told the Senate it should go slow in doing anything about revising Sec. 315 because of the network's "badly reasoned, arbitrary & inconsistent" Sec. 315 ruling against Humphrey's appearance. A Humphrey partisan, McCarthy said the situation called for a "full-scale" investigation of CBS.

Sen. Monroney (D-Okla.), a Commerce Committee member and leading Congressional critic of network programs & ratings, said CBS' action in keeping Humphrey off *Face the Nation* was "the nth degree of absurdity."

CBS Inc. pres. Frank Stanton billed himself for a network editorial on equal-time issues July 26 on CBS-TV's 6-6:30 p.m. *Behind the News with Howard K. Smith*. The show was titled "Behind the News: Sec. 315," and Stanton was scheduled to wind it up with his first such on-the-air expression of opinion in 5 years.

NBC & ABC aren't planning any air editorials on section 315, we were told by top-echelon executives of the 2 networks last week. NBC feels that prospects are good for an early revision of the statute, and, as a v.p. put it, "editorializing on TV may do more harm than good by slowing up the process while other revisions are considered." ABC's attitude is generally similar. Pres. Oliver Treyz told us he felt that "a modification of the clause" would be preferable to "a complete overhauling" that might stretch for a lengthy period.

An added starter in the broadcast equal-time editorial lists, joining other stations which have joined battle (Vol. 15:28-29), was Stauffer Publications' WIBW-TV Topeka. Gen. mgr. Thad. M. Sandstrom's on-air appeal for public understanding of broadcasters' equal-time problems was put in the *Congressional Record* by Rep. Avery (R-Kan.).

And—as always—Lar Daly himself was heard from again. The perennial America First candidate who started the FCC rumpus, demanded that NBC give him equal time on *Today* to match Sen. Humphrey's July 17 appearance on that show. Daly said he's running for President, too. NBC turned him down.

Special video tape recorder is being installed in Washington by U.S. Information Agency to permit recording on each of 4 standards—U.S., European, British, or French. TV dir. Romney Wheeler reports that target date for tests is Sept. 15, with full operation due by Dec. 1. Two recorder cameras & 1 TV-film chain will be associated with 2 new "modest but well-equipped studios" being constructed in the basement of the Health, Education, and Welfare bldg., 330 Independence Ave. One of the early projects of the new facilities will be a series of experimental taped programs featuring correspondents of overseas networks & stations.

### More about

**SENATE PROBE BLUNTED:** Senate minority leader Dirksen (R-Ill.) showed up last week for the latest Congressional investigation of the evils of ex-parte influence on the FCC and other federal regulatory agencies—and sent it into a tailspin (see p. 2).

Chairman Carroll (D-Colo.) had no sooner got under way on the long-projected hearings on corrective legislation by his 3-man Judiciary subcommittee on administrative practices & procedures (Vol. 15:28-29) than Dirksen quietly tossed a bomb into the proceedings.

Washington communications lawyer Donald C. Beelar was on the stand testifying earnestly in behalf of the American Bar Association bill (S-2374) when it happened. He was a lead-off man on a high-powered ABA team urging quick action on the measure, which provides \$10,000 fine and one-year jail sentences for "any person" making off-the-record approaches to the agencies "with intent to influence the consideration or decision" in adversary cases. Other witnesses, including Sen. Douglas (D-Ill.) & acting Asst. Attorney General Robert A. Bicks, had similarly supported the bill.

A member of the subcommittee along with Sen. Hart (D-Mich.), Dirksen peered at the 4-page bill & then at Beelar. He observed benignly that a member of Congress is a "person" who often has "intent to influence" and said: "Ever since I came here in 1933 as a freshman member of the House I have been calling regulatory agencies in behalf of my constituents, and I expect to continue to do so."

This would hold true as long as he's around, Dirksen went on, and he warned that the ABA measure would run into a lot of trouble if it ever got on the Senate floor for debate & vote. And addressing Beelar pointedly, Dirksen added that "for 26 years my office has been full of attorneys—just full of attorneys" asking him to "do us some good" in TV and other cases. "If ever I kept a list it would look like *Martindale's Directory*," Dirksen said.

Dirksen told Carroll & Hart, who had warmly endorsed the purposes of the ABA bill, to "look at the practical aspects of the matter." He said he has a "duty" to serve his constituents when they need help to win something (such as a TV grant) from an agency. "They're my people. They send me down here."

"Now, Mr. Beelar," Dirksen went on, "here is a Commission. One of the members comes from Ill., let us say. What would be the natural thing to do? Call up the clerk? Why, certainly not. You would call up the person in the Commission that you know . . ."

And as for making such calls a matter of public record in agency cases as required by the ABA's measure, that would be tipping off a constituent's business enemies, Dirksen said. "That's just not the way the game is played," he assured Beelar; it's not the way things are done in Washington.

Then Dirksen left the hearing room for the Senate floor, leaving Carroll & Hart looking startled. Carroll said: "Never have I sought to go into a Commission to influence in an adversary case."

Next day Dirksen expanded on his Congressional-influence philosophy in a floor speech. "I wonder if there are people who think that we live in a vacuum in Washington," he said. He told the Senate that if the ABA's bill is enacted, "I've outlived my usefulness—period."

He drew open support for his position from majority whip Mansfield (D-Mont.), Commerce Committee Chair-

man Magnuson (D-Wash.) & Sen. Talmadge (D-Ga.). Said Mansfield: "I feel no compunction at all about calling agencies downtown." Said Magnuson: "Many Senators bring agency problems" to him, and he has "no hesitation" in helping them out. Said Talmadge: "Our constituents send us here to represent them in matters before the Government."

Meanwhile Carroll wound up the initial 3 days of his subcommittee proceedings, which produced little testimony about faults & abuses in agency procedures which hadn't already been heard in earlier hearings by the House Commerce legislative oversight sub-committee (Vol. 15:26) and the Senate communications subcommittee (Vol. 15:24). He set no date for resumption of the Senate inquiry, in which spokesmen for the govt. agencies are expected to be heard next.

Also on the Carroll subcommittee's hearing agenda is an ABA bill (S-600) whose title I establishes an independent Office of Federal Administrative Practice to "carry on continuous studies" of agency procedure & recommend reforms to Congress.

In addition to Beelar, last week's ABA witnesses included pres.-nominee John D. Randall, administrative law chairman John B. Gage, Ashley Sellers, C. Frank Reifsnnyder, Justin N. Feldman, Robert M. Benjamin. Also testifying were Navy gen. counsel F. Trowbridge vom Baur, dir. John F. Cushman of the Justice Dept.'s office of administrative procedure, pres. Joseph Zwerdling of the National Conference of Trial Examiners.

Outside the hearing room, Attorney Gen. William P. Rogers lined up in support of "influence" legislation. He told a news conference that he wouldn't comment on Dirksen's stand, but that it was "simply a matter of fair play" that agency business should be handled like court business. "If any member of Congress wants to present his views, he can do so on record," Rogers said.

After all this, Carroll himself took the Senate floor at week's end. He pleaded with Dirksen & other Senators that they recognize a distinction between discharging duties to constituents and making "backdoor approaches" designed to influence regulatory agencies. However, Carroll backed away from the ABA's "influence" bill, which he himself introduced. He said he didn't know whether it's "a good idea or not."

Dirksen made no reply to Carroll on the floor. But Mansfield repeated that he'd "oppose any mandate that would keep me from approaching a quasi-judicial agency on behalf of the citizens of my state." And Sen. Aiken (R-Vt.) joined the Dirksen chorus. Aiken said it's "the duty of every one of us to represent our constituents with regard to cases involving their interests."

Advisory council on administrative problems organized by House Commerce Committee Chairman Harris (D-Ark.) to promote efficient operation of federal agencies (Vol. 15:29) held its first get-together meeting last week. Participating were legislative oversight subcommittee counsel Robert Lishman, who heads the council, and subcommittee staffers Beverly M. Coleman, Charles P. Howze Jr. & Richard N. Goodwin, and these agency representatives: FCC—gen. counsel John Fitzgerald & Paul McDonough, asst. to FCC Chairman Doerfer. SEC—gen. counsel Thomas G. Meeker & associate exec. dir. Charles P. Kappler. ICC—gen. counsel Robert W. Ginnane. CAB—gen. counsel Franklin M. Stone & his asst. John G. Adams. FPC—gen. counsel Willard W. Gatchell. An FTC representative on the council hadn't been designated yet.

## The FCC

**FCC's 'CARROLL' PHILOSOPHY:** It will take a lot of proof for an existing station to convince FCC that licensing of a competitor will cause such "economic injury" to the first station that the public will suffer from impaired broadcast service. In essence, that's what Commission made plain last week in releasing the text of its supplemental "Carroll decision" which affirmed its grant of radio WWCC Bremen, Ga. despite protests by WLBB (Carroll Bestg. Co.) Carrollton, Ga., and a Court of Appeals order to reconsider it (Vol. 15:29).

In rehearing "evidence to show whether a grant of the application would result in such economic injury to the protestant as to impair its ability to continue serving the public," FCC found, first of all, that WLBB hadn't put up good arguments.

"Our analysis of the facts must begin with the observation that a considerable portion of the evidence in this record is of doubtful validity as a basis for projection of the economic situation in the Carrollton-Bremen area and a prediction of events to occur," FCC said.

The ruling concluded that the only "so-called 'injury' to the public" claimed by the Carrollton station as a result of establishment of the Bremen outlet, 11 miles away, was based on WLBB estimates that WWCC competition would: (1) Divide the available listening audience. (2) Force reduction of advertising rates by 50%. (3) Bring staff dismissals. (4) Prevent the remaining "minimum operating staff" from providing "the high type of public service programming presently being offered." (5) Cause "public institutions" to suffer as a result.

Carroll had argued at the outset of the case that both WLBB & WWCC would fail if the Bremen grant were made, "thus depriving the area of local broadcast service." Later Carroll posed the issue of whether either station "would be able to carry out a plan of public service."

In any event, FCC found that WLBB "has not sustained its burden of proof," that the station made no effort to show that its operation now "is an efficient one in terms of its operating costs, rate pattern [etc.]."

And, FCC added, it had heard nothing in the case to prove that "competition is likely to result in injury to the public of such severity that the listening & using public should be deprived of the opportunity of choice of services from competing stations and that the town of Bremen should be denied the first local radio outlet."

Quitting air July 21, KSPR-TV (Ch. 6) Casper, Wyo. informed FCC that its troubles came from the local CATV system which offers 3 signals from Denver stations. Owner Donald Hathaway has sold radio KSPR to competitor KTWO-TV (Ch. 2) for \$149,981 (Vol. 15:19) and his TV equipment to the owner of the CATV system, Bill Daniels, who plans to use it in a proposed Farmington, N.M. station. Hathaway told the FCC: "With this multiplicity of signals, the audience in our area is split so thin that an advertiser is unable to make his advertising pay out generally, even at our low rates of some \$15 per one-min. announcement. As a further competitive stumbling block, the competitive station here was carried on the cable system & we were not. We had hopes that the FCC or other legislation would come to our rescue on this unfair situation. However, after holding out this long, feel that it is now prudent to discontinue. We are convinced that 2 competitive free TV stations could live in this market but not with CATV operating also."

**Stations & CATV Debate Microwaves:** Counsel for telecasters faced a skeptical FCC last week as they presented oral arguments on their protests against microwave grants to serve CATV systems.

Recently, and at considerable length, FCC has given its reasons for continuing microwave grants for CATV (Vol. 15:16), and its questions last week showed that Commissioners haven't changed much. Their position, basically, is that the microwaves are common carriers, offering service to all comers, and that the Commission cannot attempt to control the kind of traffic they carry. As Commission counsel Arthur Gladstone argued, such action would constitute "censorship," violating the First Amendment. The only way of handling the matter of CATV competition with stations, if FCC wants to referee it, is to get Congress to give it authority to control CATV directly. And, he noted, FCC has declined to do that.

Commissioners were impressed, nonetheless, with arguments of station counsel to the effect that CATV is killing off service to the public by destroying the economic base of stations which can reach rural areas that CATV can't cover. But Commissioners still are full of questions about that, too. For example, Chairman Doerfer asked what would happen if the FCC cut off the microwave from a CATV system that served 30,000 people in order to help a station reaching 2000 in the mountains, implying that the greater number would tip the scales.

Stations' counsel argued that CATV-microwaves are destroying FCC's TV allocation plan. Vernon Wilkinson posed this one: Suppose it were possible to put a station on a platform 1000 miles over Denver and its signal drove all U.S. stations out of business. Wouldn't FCC then think it had to control the common carrier that fed signals to the platform? Gladstone's answer: Control the platform, not the carrier. "Shoot it out of the sky, if necessary."

Counsel for stations put much emphasis on the fact that a CATV system and the microwave feeding it are frequently controlled by the same people, and the CATV is the carrier's sole customer. CATV counsel cited several U.S. Supreme Court decisions, involving lumber companies with railroads serving solely their own needs, which held that the railroads were true common carriers. He also contended that the microwave owners do look for other customers, have even negotiated with TV stations.

The main effort of station lawyers was to get FCC to conduct full-scale evidentiary hearings on the microwave applications, to make them justify themselves. Gladstone indicated that FCC does not hold the discretion to conduct such hearings. As of last week, however, the Commission seemed disinclined to schedule hearings.

**New Clear-Channel Proposal:** FCC came up last week with another proposal in its 14-year-old AM clear-channel proceeding—it now plans to consider putting full-time stations on all clear channels. Last year (Vol. 14:16), the Commission announced a proposal to break down 12 channels and boost the power of stations on the other 12 from 50 to 750 kw (action on 770 kc was held in abeyance pending resolution of conflict between WABC N.Y. and KOB Albuquerque). Now, said the Commission, it will look into "the feasibility of allocating on 24 clear channels a limited number of unlimited-time Class I stations of not less than 10-kw power." Location of the new stations, FCC stated, "would be determined on the basis of need in areas without primary service and under controlled conditions which would afford protection to class 1-A stations on those channels."

### More about

**RISE & FALL OF 'VOICE':** Key witness in FCC's *Voice of Firestone* hearing last week was Charles B. Ryan, Firestone dir. of advertising, merchandising & sales promotion. After recounting the history of the program, he told how NBC pres. Niles Trammell in 1943 sold the firm *Firestone Telenews* on NBC-TV to preserve 8:30-9 p.m. for "Voice", giving assurances that the period could be used by Firestone indefinitely. In 1951, "Voice" started as a simulcast.

Then, in April 1954, NBC pres. Pat Weaver informed Ryan that the Mon. period was being preempted for the *Sid Caesar* show because "we are being clobbered by Godfrey on CBS."

"I told Weaver," said Ryan, "that I was shocked, astonished & surprised that they would treat their oldest customer in that manner after we had made an investment of some \$40 million with them through the years."

NBC offered a variety of non-prime time periods and, later, 39 weeks of free Sunday afternoon time. Firestone refused because "it would be unfair to the audience—also ... they had no assurance about future treatment by NBC."

ABC pres. Robert Kintner & ABC-TV pres. Oliver Treyz then pitched for the business and got it in June 1954. Firestone signed a 52-week non-cancellable contract, which guaranteed the position, in 1954, 1955 & 1956. In 1957, it signed a 39-week contract with the understanding that the show could be bumped. However, Ryan said, Treyz assured Firestone that "suitable" time would be available if the program were to be shifted. Kintner & Treyz had no doubt about what Firestone considered "suitable," he said—between 8 & 10 p.m.

Then came the big shock on Feb 22, 1959, Ryan said. His national ad mgr. A. J. McGinness received a call from *N.Y. Times* reporter Val Adams, who read him an ABC press release outlining fall program plans—which didn't include "Voice." *Adventures in Paradise* had its former position. Treyz came to Akron & told Ryan "Adventure" couldn't be moved (it later was, Ryan added).

Ryan said he told Treyz he couldn't understand ABC's taking away the period without talking to Firestone. But Treyz took the position that Firestone had given up the position when it signed the 39-week contract.

ABC then offered several 10 & 10:30 p.m. positions but Firestone would have none of them. CBS also stepped in with a 5:30-6 p.m. Sun. proposal, also unsatisfactory to Firestone. The last show on ABC was June 1, 1959.

The unusual development in the hearing came when Ryan volunteered a statement to the effect that he was there under subpoena, that his records had been ordered by FCC, that he had nothing against the networks & their executives, and that he has cordial relations with them.

FCC counsel Ashbrook Bryant broke in with: "I think this sort of thing can go too far." Presiding officer James Cunningham chimed in with: "Yes, I do, too." Bryant then asserted that Firestone witnesses hadn't been subpoenaed. He said FCC had requested them to appear. Ryan stated that he wasn't testifying over objection.

We later asked Ryan to clarify his attitude. "I'm not trying to put anyone on the spot," he said, "but I guess the thing had to come out publicly. FCC is in its rights." Nonetheless, throughout the whole of the entire incident, Firestone has been getting an impressive amount of favorable publicity for its "corporate image" as the wronged advocate of fine music. This quality reputation in the minds of the public should do the company no harm in tire sales.

**BOSTON 'INFLUENCE' CASE:** The Justice Dept. last week joined FCC counsel in urging that FCC's much-challenged 1957 award of Boston Ch. 5 to the *Herald-Traveler's* WHDH-TV be revoked as "void" because of alleged attempts to "influence" ex-chairman George C. McConnaughey (Vol. 15:29).

In a 13-page brief filed on the July 24 deadline set by FCC special hearing examiner Judge Horace Stern for written arguments, Attorney General William P. Rogers said "public interest" requires that both WHDH-TV & loser Mass. Bay Telecasters Inc. be disqualified from further participation in the case.

With these 2 contestants out, the contest for Ch. 5 should be reopened, the Justice Dept. said. Rogers cited off-the-record luncheon meetings between McConnaughey, *Herald-Traveler* publisher Robert B. Choate & Mass. Bay v.p. Forrester A. Clark as evidence that they tried to bring pressure on the former FCC chairman. Moreover, the brief noted, "WHDH sought Senatorial aid" in its cause.

The Justice Dept. was critical of McConnaughey's conduct in the case. But unlike FCC associate gen. counsel Edgar H. Holtz, Rogers didn't conclude that McConnaughey should have disqualified himself from participating in the Ch. 5 award.

An across-the-board defense of the Boston award was filed at the same time by WHDH-TV in a 30-page brief and "proposed findings & conclusions," which said: (1) "No member of the Commission should have disqualified himself or may be retroactively disqualified by the Commission because of any bias or prejudice." (2) "WHDH cannot be assigned any comparative demerit nor any of its opponents awarded a comparative preference in this proceeding because of any attempt of WHDH to prosecute its case in a manner inconsistent with recognized public processes of adjudication."

Loser Mass. Bay in its brief argued that the case must be reheard with WHDH-TV disqualified. It defended its own conduct, said that in the event FCC doesn't toss out the grant, evidence against WHDH-TV "should weigh heavily" against WHDH-TV keeping its grant.

Similar lines of argument were followed in briefs by losers Greater Boston TV Corp. and Du Mont Labs, and by intervenor *Boston Globe*. Greater Boston said that the applicants didn't have an "impartial tribunal." Du Mont Labs said WHDH-TV, Mass. Bay & Greater Boston should be disqualified. The *Globe* said "fundamental rules of fairness" were disregarded in the award.

FCC budget of \$10,550,000 for fiscal 1960 was approved last week by House acceptance of a conference report on appropriation for independent offices. The House had proposed \$10.4 million for FCC, the Senate \$10.7 million, the Administration \$11 million (Vol. 15:27).

Allocations petitions filed: By grantee WTOH-TV (Ch. 79) Toledo, to add Ch. 5 to Toledo, substituting Ch. 12 for Ch. 5 in Cleveland, Ch. 5 for Ch. 12 in Erie; by Joint Council on Educational TV, to reserve Ch. 9, Wausau, Wis. for educational use.

WLOS-TV Asheville has opened offices in Poinsett Hotel, Greenville, S.C. now that FCC has authorized the station to identify itself with Greenville & Spartanburg in addition to Asheville.

Baton Rouge's new Ch. 9 will be occupied temporarily by WAFB-TV, which was granted a shift from Ch. 28 last week. FCC rejected the opposition of radio WIBR Baton Rouge, which will compete with WAFB-TV for the channel.

## Networks

**'58-'59 YARDSTICK (cont.):** Our exclusive report last week (Vol. 15:29) of CBS-TV's latest executive memo on audience standings at night among the major networks drew a quick dissent from ABC-TV, which felt that the season-long yardstick did not measure major audience gains made recently by ABC.

Concentrating on its strongest evening hours (7:30-10:30 p.m., as against the broader CBS view of 6-11 p.m.), ABC pointed out: "On a national basis, ABC-TV's 20.1 Nielsen average audience rating for April represents a 14% increase over the 17.6 rating recorded in Oct. On the other hand, CBS (23.9 vs. 23.1) and NBC (21.1 vs. 21.0) show no rating progress this past season."

(The implication that ABC made a continuous relative gain throughout the season, however, is not borne out by comparable CBS figures. ABC made a big gain between the last Nielsen report in Oct. & the first in Nov. After that, things stayed pretty much in balance throughout the season, with April levels resembling Nov.'s. CBS led ABC by anywhere from 14% to 21% average during the season, but had led ABC by 37% in Oct.)

ABC's sharpest competitive gain on the other 2 networks can be found in Nielsen's 24-market reports, which cover 3-station, competitive metropolitan TV areas (representing, roughly, some 40% of the nation's TV homes). The gain, said ABC in a memo from researcher Roy Graves, is "most significant," as the 24-market reports were the first real indication in the previous season that CBS was running noticeably ahead of NBC. Worth noting, however, is a qualifying point cited to us by researchers: The average coverage of ABC-TV shows is 90.5% of all U.S. homes, as against 95.0 for NBC & 96.6 for CBS. Coupled with the strong metropolitan appeal of most ABC shows in the 7:30-10:30 periods, the Nielsen 24-market digest that follows is therefore no direct indication of how ABC shows fare in fully national Nielsen measurements, although the trends are in ABC's favor:

	Rating		
	ABC	CBS	NBC
October 1958 .....	16.6	21.3	19.2
April 1959 .....	19.2	20.0	19.0
% Change .....	+16	-8	—

The season's "most dramatic change" is in the realm of night-of-the-week wins, in which network standings are compared for the evening on the basis of average audience ratings, the ABC memo pointed out. By this Nielsen yardstick ABC-TV claims that it "currently dominates 4 nights of the week—more than the other networks combined."

	National Average Rating			24 Market Report Average Rating		
	ABC	CBS	NBC	ABC	CBS	NBC
October 1958 .....	1	5	1	1	5	1
April 1959 .....	4	2	1	4	2	1

ABC's choice of verbs, examination of Nielsen night-time figures on a 6-11 p.m. basis seem to indicate, may be a trifle enthusiastic. In the first of Nielsen's national reports for May 6, for example, the "domination" by ABC over its closest rival on Tues. night (one of ABC's strongest) looked like this: ABC—21.7 av. aud.; CBS—21.4 av. aud. Most of the all-night wins, even on ABC's yardstick of prime nighttime hours, continue to be in the area of one rating point, are often just a fraction of a point over CBS.

ABC Radio is reportedly entering AM radio syndication. Initially the new ABC arm will offer programs on tape & recordings, as well as programs & personalities otherwise unavailable to stations.

**Net TV Rise Continues:** Although topped by both newspapers & magazines in ad-volume percentage gains for May 1959 over May 1958, network TV scored with a solid 9% increase, reports *Printers' Ink's* latest index. Newspapers paced all gains with a 15% jump; magazines were up 11%. Network radio fell off its comeback trail, dropping 17% behind its showing of a month ago. On the year-to-year reckoning, it was the only category to show a decline—off 9%. Network TV also was off its April 1959 pace—by 2% but gained in May sufficiently to hold its year-to-year-date cumulative gain at 9% (compared with 6% for all advertising). The national ad index came down 2% in May from April, but rose 10% for May 1959 vs. May 1958.

Medium	Index		% Change from		% Cumulative Change
	May 1959	May 1958	1 month ago	1 year ago	
General Index .....	226	205	- 2	+10	+ 6
Total Magazines ....	165	148	+ 1	+11	+ 7
Weekly .....	178	165	- 4	+ 8	+ 5
Women's .....	123	111	+ 3	+11	+ 8
General Monthly..	213	175	+ 8	+ 8	+12
Farm .....	106	103	+ 7	+ 3	+ 1
Newspapers .....	206	179	- 7	+15	+11
Network TV .....	457	418	- 2	+ 9	+ 9
Network Radio .....	30	33	-17	- 9	-10
Business Papers ....	243	228	+ 5	+ 7	+ 2
Outdoor .....	165	153	+ 5	+ 8	- 6

All indexes have been seasonally adjusted. The index shown for each medium is based on estimated total advertising investments in the medium, including talent, production and media costs. For each medium, the base (100) is an average of total investments in the years 1947-49 except for the TV base which covers the years 1950-52. "Cumulative change" in the last column refers to the change, from the same period last year, of the index average from January through May 1959.

**Moscow Tiff on Tape:** NBC-TV scored a real news beat in its coverage of Vice President Nixon's visit to Moscow when the July 24 visit of Soviet Premier Khrushchev to the U.S. Exposition flared up into a verbal duel between the 2 political leaders ranging from rockets to the origin of the cold war. RCA TV cameras & Ampex Videotape recorders captured approximately 16½-min. of the Nixon-Khrushchev exchange on color tape. Ampex v.p. Philip Gundy promptly hopped a plane from Moscow with the tape, which was scheduled to be aired for U.S. viewers at 2 p.m. July 25 on NBC-TV and then offered to the other 2 networks.

In another coup, film clips of Vice President Nixon's arrival in Moscow July 23 were telecast on NBC-TV's *11th Hour News* on the evening of the same day with the aid of BBC-TV and Canadian Bestg. Co. NBC cameraman Bradford Kress filmed the segment and placed it aboard a plane to Prague, where it was transferred to a London-bound aircraft. In London, BBC processed & edited the film & transmitted a segment to Canada via the new BBC-developed transatlantic telephone cable system (Vol. 15:25). A 30-sec. clip was re-assembled in Montreal by the CBC and fed to N.Y., where it was recorded on video tape, and broadcast as a network feature. Elapsed time: 15 hrs.

ABC and CBS also were well represented in Moscow coverage last week. News chief John Daly flew to Moscow July 22 and made a 3-min. first-hand TV-radio report (sound only) of Nixon's arrival which was broadcast the same evening on ABC's *John Daly & the News*, conducted in his absence by Don Goddard. Nixon will narrate a 30-min. CBS news special report on his trip after his return from Moscow.

CBS Radio's Program Consolidation Plan, after 6 months' operation, has "demonstrated its strength in assuring to audiences, affiliates and advertisers, the continuation of national network radio service," reported CBS Radio Affiliates Assn. chairman Charles C. Caley (WMBD Inc. Peoria pres.-treas.) during the 2-day meeting last week of CBS Radio executives & the affiliates board.

## NETWORK SALES ACTIVITY

Breweries figured heavily in network sales last week, as well as in regional syndicated buys (see page x). List of network-happy beer firms for next season includes Miller, Carling, Ballantine, Natl. Brewing, Duquesne and Falstaff. Schlitz currently sponsors CBS-TV's *Markham*, which will probably return in the fall. Other series sponsors are Miller (ABC's *All-Star Golf*) and Hamm (ABC's *Sat. Night Pro Football*). Other brewers concentrate their network dollars in special sporting events & weekly football telecasts.

### ABC-TV

**Daytime programming, 15-min. segments in daily strip.** Orders, by 4 advertisers, total approximately \$1 million in gross revenues. *Block Drug*, 3 segments weekly starting in Sept. and 1 seg. starting in Aug. (Gumbinner; Gray, and Sullivan, Stauffer, Colwell & Bayles); *Ex-Lax*, one seg. weekly starting in Aug. (Warwick & Legler); *General Foods*, additional weekly seg. (Young & Rubicam) and *Toni Co.*, additional weekly seg. (North Adv).

**The Gale Storm Show, Thursdays (7:30-8 p.m.)**  
*Warner-Lambert* (Lambert & Feasley)

**Walt Disney Presents, Fridays (7:30-8 p.m.), alt. wk. half-hrs.**  
*Canada Dry* (J. M. Mathis)

### CBS-TV

**Special Tonight, series of 6 90-min. specials, first of which will be an adaptation of "The Bells of St. Mary's" set for Tues., Oct. 27, 8:30-10 p.m.** David Susskind will produce the series. *General Mills* and *Westclox* (both BBDO).

**PGA Golf Tournament, live from Minneapolis Golf Club. Sun. Aug. 2 (5-6:30 p.m.).**  
*Midas Muffler* (Bozell & Jacobs)  
*Hamm Brewing* (Campbell-Mithun)

### NBC-TV

**"Miracle on 34th St.," pre-Christmas adaptation of 1947 film, produced by David Susskind, Talent Associates. (Fri., Nov. 27, 8:30-9:30 p.m.)**  
*Westclox* (BBDO).

**Our American Heritage, series of 6 dramatic 60-min. programs, to be produced by Milberg Enterprises in association with the editors of *American Heritage* magazine. First is Sun., Oct. 18, 8-9 p.m.**  
*Equitable Life Assurance Society*

**Toast to Jerome Kern, 90-min., Sept. 22 (9-10:30 p.m.)**  
MCA producing, cast not set.  
*United States Brewers Foundation* (J. Walter Thompson)

**Second All-Star Game of 1959, originating at Los Angeles Coliseum Mon., Aug. 3, 6:45 p.m.**  
*Gillette* (Maxon Inc.)

**World Series Special, (Tues., Sept. 29, 9:30-10:30 p.m.)**  
All-Star baseball special on the eve of the World Series, featuring live and film reports of the season's highlights, originating in the city of the pennant winning American League team.  
*Natl. Carbon Co.* (William Esty Co.)

FCC has turned down ABC's request for the extension from Aug. 3 to Sept. 15 of the deadline for filing of comments on the proposed option-time amendments (Vol. 15:29).

**CBC—STILL SWINGING:** Bloodied but still broadcasting, Canadian Bestg. Corp. will recall 1959 as the not-so-jolly year which brought layer on layer of problems—financial, internal, political—topped by a Parliamentary inquiry which has been giving the network a rum go these past few weeks.

Financially, CBC closed out its fiscal year ended March 31, 1959 with its budget overspent by some \$105,000. Moreover, on a total expenditure of \$87,314,553 it produced income of only \$33,194,522. Its cost-of-doing-business, \$54,120,031, was up slightly over last year, a CBC spokesman told us, mainly because of increased service. The big sting in CBC's operations was soothed by the govt. treasury, which anted up \$51,596,565 in Parliamentary grants & taxes. However, operating deficits are old hat to the govt.-supported CBC (Vol. 14:29).

CBC would be content if its problems were strictly financial. It started a snowball rolling downhill recently when it abruptly cancelled *Preview Commentary* (Vol. 15:26), a regularly scheduled—but obscure—political commentary radio program. In quick succession, 37 tight-lipped key staffers resigned, rumors of govt. interference swooped in, CBC reinstated the program, and the Parliamentary Committee on Broadcasting decided to see what all the fuss was about. It learned among other things that Canadian taxpayers pay heavily to view sponsored TV shows (Vol. 15:28): Of 102 TV broadcasts in 2 weeks of March, for example, only 17 made money for CBC. Indicative of CBC's good-natured operations, it got from sponsors only \$9678 for a program that cost \$30,132—the public paid the difference.

An observer close to the situation told us last week that CBC's ad policies came as a shock to Parliament. As a result, CBC v.p. & asst. gen. mgr. Ernest L. Bushnell, acting pres. in the illness-induced absence of pres. J. Alphonse Ouimet, was raked over the coals but good. The network gave him a 2-month vacation then passed control to a 7-man emergency committee of senior executives. The general feeling among people who should know, said our source, is that the storm will blow itself out and CBC will continue to be CBC: "The solid people are behind CBC; it's vital because it encourages native talent and develops a national consciousness."

However, it was pointed out, one thing the furor might do is give more weight to applications for commercial TV which will be up for consideration this fall. (The Canadian govt. has established Sept. 15 as the day it will accept applications for licenses for competitive stations.) Such stations, if established, would operate in competition with CBC. But whatever happens in this area, there'll always be a CBC. However, there'll no longer be a CBC for 51 employes in Montreal & 107 in Toronto who have been notified they're being sacked as of July 31 & Aug. 15 respectively. The 158 networkers are carpenters, stagehands and other technical-worker members of IATSE. CBC says the cutback was long planned & wasn't triggered by notice reportedly served on CBC by the House of Commons that it had better tidy up the operation or prepare for a subsidy cut.

California's first FM network is planned by Sherrill Corwin, Metropolitan Theatres pres., who says the web will be in operation by Jan. 1. Corwin, owner of KFMU Los Angeles, will build 4 more stations, for which construction permits have been received from FCC. The stations are KFMW San Bernardino, KFMX San Diego, KGUD Santa Barbara, KBAY San Francisco.

## Stations

**WJAR-TV Sale in Doubt:** N.Y. real estate magnate William Zeckendorf & Denver telecaster John C. Mullins may give up their long fight to get WJAR-TV & WJAR Providence by buying the parent Outlet Co. department store Vol. 14:49-50, 15:4, 8, 10, 12, 20), as a result of an adverse decision last week by R.I. Supreme Court.

The high court upheld a temporary injunction blocking sale of controlling interest in the company by trustees for the heirs of the firm's founders. The decision was a victory for J. S. (Dody) Sinclair, gen. mgr. of the Providence stations and grandson of Outlet founder Col. Joseph Samuels. He had charged the trustees weren't acting in the best interest of the heirs, and that they "probably" failed to obtain a higher price. The case was sent back to the lower court for a full hearing.

The court decision came on July 21—the very day on which the prospective purchasers can terminate their offer to buy the stock, under the terms of the purchase proposal made to all Outlet stockholders. Although there was no direct word from Zeckendorf & Mullins, there were indications that they were reconsidering, with an eye to dropping the hot legal potato.

WSFA-TV (Ch. 12) Montgomery, Ala. has been sold for \$2,250,000 to operators of WIS-TV (Ch. 10) & WIS Columbia, S.C. and radio WIST Charlotte, N.C. Seller is WKY TV System, subsidiary of *The Daily Oklahoman* (E. K. Gaylord family), also owner of WKY-TV (Ch. 4) & WKY Oklahoma City and WTVT (Ch. 13) Tampa, Fla. WKY acquired the station in 1955 from founding group (which included D. F. Hudson, publisher of *Montgomery Advertiser & Journal*), paying \$562,598 plus obligations, for radio WSFA & WSFA-TV, shortly after latter went on the air (Vols. 10:50, 11:8). The following year, WKY sold radio WSFA for \$175,000 (Vol. 12:50). After FCC approves transfer, new owner of WSFA-TV will be Bestg. Co. of the South, whose exec. v.p. is G. Richard Shafto, chairman of the NAB TV Board.

Off-air uhf KBMT (Ch. 31) Beaumont, Tex. is due to get a CP for Ch. 12. Reversing examiner Charles J. French's recommendation of Aug. 11, 1958 that the grant be given to Brown Telecasters Inc. (Vol. 14:33), FCC directed its staff to draw up a document looking toward grant of KBMT. French had favored Brown because of wider business interests, more civic activity, program plans and preparation for TV. KBMT, which left the air Aug. 1, 1956, had proposed using its old studio site about 5 mi. from Beaumont, but the examiner held that the station had failed to show why it should be permitted to operate from the site again. The other loser was radio KJET.

License of KHOU-TV (Ch. 11) Houston was renewed by FCC last week over the dissents of Comrs. Bartley, Ford and Cross, who wanted more information about whether the station was serving Galveston adequately. Granted a move from Galveston last year, the station was accused by the Galveston Chamber of Commerce of neglecting the city's needs. Examination of the station's renewal form satisfied FCC majority; minority wanted to write KHOU-TV a letter.

Dr. W. R. G. Baker, retired GE v.p. and distinguished leader in the electronics industry, has filed incorporation papers looking toward applying for a proposed dropped-in Ch. 5 or 9 in Syracuse. He said that 6 local businessmen are backing him in W. R. G. Baker Radio & TV Corp.

**Movie Firms Buy Stations:** Two of Hollywood's film majors are in the process of closing deals for TV station properties. Columbia Pictures, having borrowed Screen Gems' station operations mgr. Norman Louvau (ex-KRON-TV San Francisco) to handle negotiations, is buying KTVT Salt Lake City (and KDYL radio) from Time Inc., 80% owner, and other stockholders for more than \$3 million. It will be the first station owned by the Columbia-Screen Gems operation. Natl. Telefilm Associates is disposing of KMSB-TV Minneapolis (which NTA acquired in late 1957 as an o&o outlet) to 20th Century-Fox, with which NTA has long had a contractual production-distribution arrangement. The purchase sum was not disclosed, although the deal was confirmed by both parties.

Haitian TV station, planned for Nov. start, will be operated under an exclusive 10-year franchise by Hemisphere TV Corp., a group comprising J. Elroy McCaw's Gotham Bestg. Co., Haiti industrialist Mike Rosenberg and Bartell Bestrs. The company is also negotiating for sites in Central and South America, including Buenos Aires, Curacao and Aruba. McCaw owns KTVW (Ch. 13) Tacoma-Seattle, KTVR (Ch. 2) Denver, radio WINS N.Y. and 50% of radio KELA Centralia, Wash. The Bartell group owns WOV N.Y., WOKY Milwaukee, WAKE Atlanta, KCBQ San Diego, WILD Boston, KYA San Francisco and WYDE Birmingham.

Purchase of KPTV (Ch. 12) Portland, Ore. for \$1,026,000 plus liquidation of \$2,734,924 in obligations (Vol. 15:23) was approved by FCC last week. Buyer is NAFI Corp., makers of automobile interiors. Bing Crosby and Kenyon Brown, stockholders of KCOP (Ch. 13) Los Angeles, are chairman & pres. respectively, of KPTV. George Hagarty, Detroit lawyer & industrialist, was the seller.

Control of WLAC-TV (Ch. 5) & WLAC Nashville, Tenn. went to wealthy Murchison Bros. of Texas last week. Approval of the sale by FCC was one of the final phases of a deal whereby the Murchisons purchased Life & Casualty Insurance Co. of Nashville, parent corp. of WLAC radio and 50% owner of WLAC-TV, for \$40,000,000. (Vol. 14:35).

Sale of 50% of WSVA-TV (Ch. 3) & WSVA Harrisonburg, Va. to WMAL-TV (Ch. 7) Washington for about \$750,000 "is in negotiation," according to the principals. Seller is Transcontinent TV Corp. Pres.-gen. mgr. Hamilton Shea would retain his 50%.

Split of a 15-year association between J. Elroy McCaw and John D. Keating became final recently when the FCC approved the transfer of control of radio KDAY Santa Monica from McCaw's Gotham Bestg. Corp. to Keating in a deal dividing their properties (Vol. 15:13).

Frederick A. Knorr, pres. of radio WKMh Dearborn, WKMF Flint and WSAM Saginaw, all Mich., acquires positive control of the stations as Harvey R. Hansen and W. H. McCoy sell their share for more than \$1 million each.

Ex-NBC Washington v.p. Frank M. Russell and Washington TelePrompTer mgr. Robert C. Doyle are buying radio WICO Salisbury, Md. for \$80,000 from Beacon Bestg. Corp., recent buyer of WKNB New Britain (Vol. 15:28).

Three applications for TV stations were filed with the FCC last week: For Talahassee, Fla., Ch. 11 educational, by Board of Control of Fla. & Fla. Educational TV Commission; for Baton Rouge, La., Ch. 9, by KLOU; for Clearwater, Fla., Ch. 32, by West Coast Telecasting Corp. (reinstatement). Applications pending total 107 (15 uhf).

**TV Now a Quarter of Life:** TV homes spend one hour of every 4 watching TV in a typical winter-season week, reports A. C. Nielsen. Viewing being an all-day affair, mornings account for 12% of all TV viewing hours, afternoons 27%, evenings (the largest segment) 57%, and post-midnight, 4%. During a winter week, the average TV home has its set (or sets) on for a total of 41.82 hours.

More than 9 out of 10 TV homes (95%) use their TV sets at least once during the 7-day period, and late-night viewing—which accounts for 3.23 hrs. per week in the average TV household in the hours after midnight—manages to attract a huge audience over a period of a week, with Nielsen reporting 21,120,000 homes engaging in some form of late-late dialing in a typical 7-day period. Here is the full day-night breakdown by segments:

#### U.S. WEEKLY TELEVISION AUDIENCE

March 1-7, 1959

By Day parts	% of Total	TV Homes %	Weekly Cumulative Total '000	Avg. Hrs. Per Home Reached
Mon.-Fri. Morn. ....	9	62.3	27,412	5.74
Mon.-Fri. Aft. ....	19	83.1	36,564	9.33
Sunday Morn. ....	1	24.2	10,648	1.29
Sunday Aft. ....	4	62.5	27,500	2.49
Saturday Morn. ....	2	42.6	18,744	2.06
Saturday Aft. ....	4	57.2	25,168	2.45
All Evenings ....	57	95.5	42,020	24.00
12 Mdn.-6 A.M. ....	4	43.0	21,120	3.23
24 Hr. 7 Day Total .....	100	95.6	42,064	41.82

Only 2 Canadian TV outlets were approved by Board of Broadcast Governors during July 7-9 hearing. CKSA Television Ltd. got green light for 14.63-kw station in Lloydminster, Alta. (Ch. 2) and CFCY-TV Charlottetown, P. E. I. got approval for .175-kw satellite at New Glasgow, N.S. (Ch. 7). Turned down were CKPG Television Ltd. & Aurora TV Ltd., Ch. 3 applicants for Prince George, B.C., Board stating CBC is unable to provide network programs to area. It deferred action on Ch. 12 application for New Carlisle, Que. by La Television de la Baie des Chaleurs Inc., saying other applicants should have hearing also. Stating it wanted to determine whether arrangements could be made for microwave facilities into western & northern Manitoba, Board deferred action for 3 months on applications for satellites at Flin Flon, Moon Lake, Swan River & The Pas by CKX-TV Brandon, Man. Board also recommended following power boosts: CKWS-TV Kingston, Ont. to 130-kw, CJON-TV St. John's, Newfoundland, to 62-kw, CKTM-TV Three Rivers, Que. to 42.5-kw.

"Will the cash register ring for FM?" asks July *U.S. Radio* in a special report based on a questionnaire which drew replies from 169 stations. Highlights of the findings: The average FM station which doesn't duplicate AM programs has 31.3% of its commercial time sold, compared with 7.2% of commercial FM time sold for the average FM outlet which does duplicate AM. The average FM station which is operated in combination with an AM (whether programming is duplicated or not) accounts for 11.1% of the total combined billings. Business on the average FM station is 83.5% local & 16.5 national.

New NAB members include 6 radio stations in Hawaii and 31 TV & radio stations in the West—24 in Cal., 2 in Nev., 5 in Ariz. When Hawaii becomes a state officially, it will be added to NAB's District 15.

Site move of WEAR-TV (Ch. 13) Pensacola to a point 24 miles from Pensacola, 26 miles from Mobile (9 miles closer to Mobile than the present site), along with a height increase of 1210 ft., has been granted by FCC.

WTVT (Ch. 13) Tampa, Fla. was granted waiver last week to identify itself with St. Petersburg also.

# Foreign

## More about

**GOLD IN FOREIGN TELEFILM MARKET:** To U.S. stay-at-homes, the pricing of American-made telefilms in the overseas TV market often makes little sense. Gross revenues frequently have little relationship to the size or importance of the TV market involved. And there are a host of other problems to consider, notably currency restrictions, production quotas, government-vs.-commercial TV policies, and, of course, the language hurdle (see p. 2).

A 30-min. telefilm series that qualifies under the semi-official British quota system (as having been filmed somewhere in the British Commonwealth with a British unit) can earn as much as \$7,500 per weekly episode in England, for example. The same show in Japan—which isn't too far behind Britain as a TV market in terms of sets & stations—can only earn a ceiling price of \$300 because of government restrictions designed to encourage Japanese production. A sale to a TV network in Cuba will bring only a top rate of some \$230 weekly, but a sale to a network covering French-speaking Canada can pull \$2500 weekly, although the 2 markets are roughly comparable.

Here's the worldwide telefilm "top price" outlook today, for 30-min. telefilm shows, as compiled by ITC's globe-trotting dir. of intnatl. sales Abe Mandell, and shown to us in N.Y. last week:

### European Area

Market	Episode Price	Market	Episode Price
Great Britain (excluding Ireland)	*7500	Luxembourg	100
Austria	100	Monaco	100
Belgium	120	Portugal	100
Denmark	145	Spain	50
Finland	50	Sweden	180
France	300	Switzerland	140
West Germany	1000	European total	\$10,135
Italy	250	* Quota sales only. Others	\$2500-\$3000.

### Mid-East Area

Iran	\$80	Saudi Arabia	50
Iraq	130	Mid-East total	\$260

### Far East Area

Australia	\$1000	Okinawa (starts Sept. 1, 1959)	30
Thailand	65	Philippines	200
Guam	25	Far East total	\$1365
Hong Kong (Closed Circuit)	45		

### Latin America

Argentina	\$200	Mexico	*770
Brazil	450	Nicaragua	40
Chile	30	Panama	35
Colombia	100	Peru	30
Costa Rica	35	Puerto Rico	400
Cuba	230	Uruguay	40
Dominican Republic	50	Venezuela	400
El Salvador	30	Latin American total	.....\$2915
Guatemala	45	* Include Mexico City, \$535.	
Honduras	30		

### North America

Bermuda	\$30	North American total	.....\$4030
Canada (CBC Network)	*4000	*French-Canadian sale only	\$2500.

Rounded out, the top weekly gross the telefilmer can expect on a half-hour film show overseas is thus about \$18,705 per episode, although few, if any, telefilms will have a sales batting average as strong. ("We'd consider \$17,500 weekly as being very, very good," comments ITC's Mandell whose firm predicts \$12 million gross revenue for its first year of operation ending in Oct.) Overseas reruns of the series will add another 40-50%.

What does it cost the distributor to get into this growing overseas market?

First, there's the matter of distribution costs, which syndicators generally figure will run less than comparable U.S. prices (about 15-20%, as against 35% in the U.S.). Second, there's the cost of language dubbing, where necessary to make a sale.

Spanish is the principal dubbed language, with the re-voicing usually done in Mexico City (some producers use Puerto Rican facilities; a few work in Madrid) at a per-show cost that ranges from \$900 to \$1200, depending on how fancy a job you want. These costs are borne by the distributor. Small distributors occasionally trade sales rights in a few areas in exchange for dubbing. Brazil usually takes an English sound track with Portuguese subtitles in preference to a Spanish-voiced show.

French & German, with which most of European TV can be covered, are the other 2 important dubbed languages. Oddly enough, France as a market (\$300 tops per episode) won't sustain dubbing costs in Paris (about \$1200 per episode). But Paris is the center for French telefilm Canada's TV market, worth \$2500 per episode—although it doesn't work the other way around. And Paris dubbing can be used in Belgium, Monaco, Switzerland & Luxembourg.

German dubbing is handled by German TV purchasers, with U.S. distributors delivering English-speaking versions at a net price.

A similar situation exists in Japan, whose government-pegged prices wouldn't begin to pay for full-scale Japanese dubbing. Other worldwide language barriers are nearly always handled with a soundtrack in one of the basic languages, plus subtitles.

As an example of the growing importance of the worldwide market in launching a new telefilm series, ITC's Mandell (who currently has 18 different series selling internationally) cites the firm's new co-production (with Britain's Sapphire Films) series, *4 Just Men*. The first major sale on the series, scored last week, was for a 40-station Canadian Bcstg. Corp. lineup, equalling in effect another 40 markets in the U.S.—where the series is in syndication.

\* \* \*

In another significant overseas move last week, ITC hired Leslie T. Harris, former v.p. in charge of CBS Films, to head the new International TV Production div. of ITC now being established in London with Associated TV Ltd., which is the British partner of ITC's board chairman Jack Wrather. Harris will specialize in overseas co-production film series to be distributed on a worldwide basis by ITC. He will also maintain a relationship with CBS-TV in overseas program development & sales.

— ■ —

Argentine govt. confirmed 5 TV CPs to private interests—3 in Buenos Aires, one each in Mar del Plata and Mendoza—which had been authorized in April 1958 by the then provisional govt. Also being considered in the Argentine congress is a proposed law to confine foreign ownership in TV-radio stations to less than 40%. The same law would also return to private operation all stations formerly privately owned. At present there is one govt.-owned station in Buenos Aires—LR3-TV—which began operating in Sept. 1951, using Western European 625-line standards.

Japanese TV hurts movie-going, says the Japan Movie Producers Federation, reporting that attendance during first-quarter 1959 dropped 13 million from the first-quarter 1958 figure. Japan has 69 TV stations, 3 million TV sets.

## Auxiliary Services

20th Century-Fox and Ciba, Swiss drug firm & parent of recently-established Eidophor Inc. (Vol. 15:22) have formed a company in Switzerland, Telepatent, to handle licensing & selling of Eidophor TV projectors. It will concentrate on development of a "new & larger unit" suitable for theater TV. Roderic L. O'Connor, pres. of Eidophor Inc., N.Y., intimated that negotiations to sublicense manufacture of Eidophor units in the U.S. were in progress with GE. He estimates that 40 to 50 Eidophor units, worth about \$800,000, will be shipped from Switzerland by next spring. Twentieth Century-Fox, which has been working on theatrical versions of the Eidophor projector for nearly a decade, will get a percentage on any Eidophor model sold, whether small or large screen.

The Pentagon will use closed-circuit TV to spur sales of surplus property. An 8-hour, 6-city simulcast will be staged Oct. 7 to show \$1.5 million in merchandise available at 3 widely separated military posts. Via projection TV, prospective buyers in N.Y., Boston, Philadelphia, Columbus, Chicago, and St. Louis, will be able to view & bid on merchandise at Philadelphia, Granite City, Ill., and Shelby, O. The telecast, by TelePrompTer, will cost \$81,000. TelePrompTer forecasts that TV sales can be expected to put more profit in govt. surplus auctions, since they mean considerably more buyers, bidding—and competition for merchandise that has previously been sold far under its actual value.

Microwaves serving CATV systems, to get their licenses renewed, will have to show FCC they are honest-to-goodness common carriers. Last week the Commission amended its rules to require that microwaves & CATV systems under common ownership must show that at least 50% of their time & facilities are used to serve subscribers other than the CATV systems—or that they've made an attempt to get such business. The amendment formalizes what the Commission has been telling microwave grantees individually. It also gives such microwaves the same treatment previously accorded microwaves serving the mobile communications field.

FCC has rescinded license renewal of translator K70BA Lewiston, Ida. to Orchards Community TV Assn. because of "unauthorized operation of another translator station on Ch. 76 after the Commission had deferred action on such an application until Orchards had certified that it had authority from KHQ-TV Spokane, Wash. to rebroadcast its signal." Orchards has 30 days to reply.

Translator application for Ch. 70 in Tucumcari, N.M. was turned down last week. FCC upheld examiner H. Gifford Irion's recommendation last March that it deny the application on grounds that the applicant had built the facility without a CP (Vol. 15:13).

Two translators proposed for Palm Springs, Cal. in an initial decision in Jan.—K70AL & K73AD—are due to be upheld. FCC has directed its staff to draw up a document looking toward affirmation.

N.Y. CATV Assn. elects: Jack Pryor, Hornell, pres.; Charles W. Fribley, Corning, v.p.; Albert E. Farone, Oneonta, secy-treas. New directors: Tony Ceracche, Ithaca; Hugh Sutphen, Saranac Lake; W. J. Calsam, Delhi.

CATV-station battlegrounds will be studied first-hand by FCC, following the recommendations of Congressmen. Broadcast bureau chief Harold G Cowgill & economist James B. Sheridan will tour the West in Aug.

## Programming

**Traffic Jam in Specials:** Some form of industry-supported title & idea registration service (such as the movie industry's MPAA) might not be a bad idea in the TV industry, it began to appear this month. We have made this suggestion before, regarding film series—in Vol. 15:13—but now, with producers scrambling to create formats for this season's barrage of specials (270 this season; NBC alone has announced a 3-a-week schedule in addition to its 40 or more one-shot "special specials"), the confusion can be expected to worsen before it betters itself, and a TV title clearing house seems indicated.

CBS & NBC found themselves in a creative traffic jam over a pair of specials, both titled "The Fabulous Fifties," and both dealing with a musical review of the past decade. Originally, the project was announced by CBS (see "Specials for the Networks," Vol. 15:17) this spring, with Leland Hayward as producer of a package tentatively budgeted at \$500,000 for talent costs, and with General Electric named as sponsor. Hubbell Robinson, who is in charge of the Ford specials and who was at CBS when the Hayward project began, is planning virtually the same show as the premiere telecast of the Ford series in early Oct. (Robinson also has Ingrid Bergman signed up for the Ford series—a signing which was reportedly in the CBS works before Robinson left.) The title conflict, at least, has been resolved in CBS-TV's favor, with Robinson announcing last week through NBC-TV that he planned to change the look-alike title on his Ford special, although the subject matter of the 2 shows will still be similar. However, CBS is not completely happy because of the signing of Ingrid Bergman for the NBC series.

This month, another conflict developed between actor Tony Curtis & singer Johnny Desmond, when Curtis announced through his publicity firm he was planning an hour-long musical biography of ill-starred crooner Russ Columbo for January exposure in the Ford series. Desmond promptly challenged the project, saying that he had been working for 5 years on a similar project, and had already paid to have a script developed for either movie or TV use. The Curtis-Desmond dispute is still unresolved.

In a third current conflict, NBC & CBS found they were both planning to do TV versions of Stephen Vincent Benet's "The Devil and Daniel Webster." NBC-TV has scheduled a straight adaptation of MGM's old film version (the film, incidentally, has often been shown in local TV feature shows) for Feb. in the *Sunday Showcase* series with Talent Associates producing. CBS-TV is planning, oddly enough, a musical version of the Faustian story for fall presentation in the *Playhouse 90* series.

Such problems are by no means the only ones of this nature occurring this season to plague TV producers. Music Corp. of America has been offering a 90-min. adaptation of "Oh, Captain!" (a lukewarm Broadway success) to Ford, NBC-TV, and CBS-TV starring Jose Ferrer, Rosemary Clooney and Abbe Lane. Henry Jaffe has been offering the same property, this time with Tony Randall in the lead, as part of a package of *Comedy of the Month*.

Another conflict concerns public-domain "Don Quixote," which Desilu's Desi Arnaz has long wanted to develop into a 90-min. TV musical filmed special, and which is also being eyed by Talent Associates' David Susskind. MCA has plans for a 90-min. adaptation of "Mr. Wonderful" with Donald O'Connor, while, at the same time, William Morris is talking of a TV adaptation of the same property with its original star (and Morris client), Sammy Davis Jr.

## Television Digest

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**Personals:** Robert G. Holben, ex-WTVH Peoria, named gen. mgr., WTTV Indianapolis-Bloomington, succeeding Herbert Nelson . . . George Kapel, ex-KXTV Sacramento gen. sales mgr., named gen. sales mgr., WTOL-TV Toledo, replacing Rus Stone, resigned . . . Ralph Hansen, ex-KYW-TV Cleveland, named program dir., WJBK-TV Detroit.

Frank Nowaczek, ex-National Security Agency, named PR asst. to Edward Whitney, exec. dir. of National Community TV Assn. . . . Fred Metcalf, operator of Guelph, Ont. CATV system, named Canadian rep of Daniels & Associates, Denver CATV system brokers.

Frederick Pierce promoted from ABC-TV audience measurement mgr. to network research mgr. . . . Robert Schneider named research mgr., CBS-TV spot sales, Joseph Dowling appointed sales promotion mgr. . . . Marvin W. Baiman promoted to NBC research studies mgr.

Chet Wallack named engineering dir., KKTU Colorado Springs . . . James M. Henneberry, ex-KMOX-TV St. Louis, named promotion dir., KPLR-TV same city . . . David D. Kyuk, ex-*Television Age*, appointed local sales mgr., Mid-N.Y. Bestg. Co. (WKTU Utica-Rome) . . . Jerry Wichser promoted to promotion mgr., WFIE-TV Evansville.

Edwin C. Metcalfe promoted from v.p. in charge of Weed TV's West Coast offices to national sales mgr., a new post . . . Jack Hetherington, ex-Adam Young reps, named mgr. of new St. Louis office of Daren F. McGavren & Co. (317 N. 11 St.).

Hugh Carleton Greene, BBC news & current affairs dir., appointed to succeed Sir Ian Jacob, retiring as BBC dir. general. Greene is novelist Graham Greene's brother . . . John Kluge, pres. of Metropolitan Bestg. Corp., departed July 17 for a month's tour of Russia, accompanied by wife & daughter.

\* \* \*

U.S. Information Agency TV service changes: Daniel Lawler named special asst. (for policy & programming) to TV dir. Rommey Wheeler. He is succeeded as USIA-TV production chief by Donald W. Duke who returns from Germany. Peter Barker becomes TV field officer for Europe & the Near East. Giles O'Connor transfers from Washington production staff to N.Y. special events production staff.

### Obituary

Harold E. Janis, 53, v.p. & exec. producer, Shellrick Corp., producing organization for Sid Caesar's TV shows, died July 22 of a heart ailment in N.Y. He is survived by his wife, a son, a daughter, brother and sister.

## Advertising

**British TV Ad Spending Up:** British advertisers had a bit of a go at TV last year and apparently concluded that it's their cup of tea. Much more significant than the 26% jump in total ad spending by Britain's top 20 advertisers in 1958 (\$110,600,000 vs. 1957's \$87,920,000) was the shift in ad emphasis: 54% to TV vs. only 43% in the preceding year. Figures are from Saward Baker & Co.

As went the top 20, so went British advertising in general. Total expenditures, at \$1.050 billion, were up handsomely from 1957's \$980 million. In a year which saw British TV homes increase from 4¼ million to 6¼ million, TV ad spending skyrocketed 54%, to \$142.8 million.

The big swing to TV in British ad spending noted by Saward Baker is exemplified by such major firms as Kraft Foods which in 1957 put 28% of its ad budget in TV, 72% in magazines & newspapers. Last year, it reversed almost exactly, placing 73% into TV, 27% in print media. Unilever, far & away Britain's top ad spender (\$25,121,000 in 1958), put 50% of ad budget into TV vs. 38% in 1957.

**In Other Media:** Some 83 periodicals gained a total of 1295 ad pages during first-half 1959 compared with the 1958 period, says *The Gallagher Report*. The top 5 magazines in ad pages are: *New Yorker*, *Business Week*, *Life*, *Newsweek*, and *Time*. *Reader's Digest* jumped from 47th to 25th place, reflecting a 61.8% page gain . . . The House has passed a bill which will require magazines to furnish the Post Office Dept. with sworn statements regarding the number of their paid subscribers, to maintain second-class mailing privileges . . . "Ladies Home Journal" will increase ad rates nearly 9% (Jan. issue) on a new circulation guarantee of 5.7 million . . . Continuing the magazine drive for regional business, *McCall's* in Nov. will begin a western edition with a circulation of 850,000 in the 11 states. Rates will be based on \$4369 per b&w page.

**Advertising People:** Ross Legler, account exec., and Maurice Sculfort, associate media dir., named Compton v.p.'s . . . Donald Carter, account exec., and Donald S. Devor, music dir., appointed William Esty v.p.'s . . . W. R. Wright resigns as PR dir., Canadian Natl. Railways to become McCann-Erickson (Canada) Ltd. pres. in October, succeeding the late Evan Walter Hayter (Vol. 15:29).

Myron Sanft, creative dir.; James C. Wickersham and Anthony C. Kupris, mktg. execs. elected v.p.'s Sales Communications Inc. (McCann-Erickson affiliate) . . . James K. Maloney, senior art dir., Doherty, Clifford, Steers & Shenfield, elected v.p. . . . Robert L. Taylor, ex-pres., Taylor, Harkins & Lee market research, named v.p.-mktg. dir., Doherty, Clifford, Steers & Shenfield.

\* \* \*

New reps: WCHS-TV Charleston, W.Va. to Peters, Griffin, Woodward Aug. 1 (from Branham). WEAR-TV Pensacola to Blair TV Assoc. June 15 (from Hollingbery). WMUR-TV Manchester, N.H. to Weed (from Forjoe).

### Station Rate Increases

Station	Base Hour	Minute	Date
<sup>1</sup> WLUK Marquette-Green Bay	\$300 to \$600 <sup>2</sup>	\$60 to \$120 <sup>2</sup>	Aug. 1
WTOK-TV Meridian, Miss. ....	275 to 325	55 to 65	Sept. 1

<sup>1</sup> Formerly WMBV-TV. <sup>2</sup> New Class AA (6:30-10 p.m. daily), Class A hour raised to \$400.

### Canadian Rate Increases

CKGN-TV North Bay, Ont. ..	180 to 198	45 (no change)	July 1
CHCA-TV Red Deer, Alta. ....	130 to 170	30 to 70	July 1

**Brewers Hop On Film Buys:** Fall regional buys of 4 new syndicated series were given a sudsy touch last week by a quartet of major breweries to establish, once again, that beer sponsors have a real thirst for heavy local TV campaigns. (TvB estimates that brewers spent a total of \$40,299,000 for national & regional spot TV last year, much of it in syndication.)

New Orleans' Jax Beer signed for regional spreads on 2 shows, buying Screen Gems' new *Manhunt* series for 20 markets, and MCA-TV's *Shotgun Slade* series for virtually the same number, 19, in its Gulf Coast sales territory. Drewry's Beer also became a *Manhunt* sponsor, signing the SG police-action series for a list of 15 TV markets in the midwest, and picked up ITC's *4 Just Men* for a similar market list.

In other brewery purchases, Schaefer Beer also signed *4 Just Men*, scheduling a 9-market spread in the east, and Weidemann Brewing picked up alternate-week sponsorship (with American Tobacco Co.) of Ziv's new *This Man Dawson* in 4 markets in Ohio & Indiana.

The same show lineup scored sales with some other top sponsors. Miles Labs bought *Manhunt* for an 11-city campaign for Alka-Seltzer on the Pacific Coast; Reynolds Tobacco signed for *Shotgun Slade* for a scattered list of major markets, with Holsum Bread & Donovan Coffee hopping on the Western series in 2 Southern states; American Tobacco's purchase of *This Man Dawson* added 7 major cities to the 4 shared with Weidemann Brewing; and Standard Oil of Texas bought an 11-market spread with *4 Just Men*.

The week's biggest regional film deal was scored by NTA, which earlier this month signed a king-sized beer syndication spread of its own with a 93-market, 2nd year renewal from Anheuser-Busch (Budweiser) for *U.S. Marshal*. This time, the NTA film show was *Grand Jury*, shown to D-X Sunray Oil Co. in a special 60-min. videotaped presentation that included episode trailers and a sales talk. D-X Sunray signed for 44 midwest markets.

**Rare Minutes:** There's been a 55.7% jump in 60-sec. spot usage in the nation's top 6 markets between the first quarter '57 and same period of this year, says Broadcast Advertisers Reports. At the same time, advertisers are using 10% fewer 20-sec. station breaks than they did 2 years ago and local advertisers are buying more 20-sec. breaks because of the lack of min. availabilities, BAR points out.

"It's a sellers' market for 60's right now" says BAR, with nighttime minute availabilities in the 6 markets "virtually sold out in July" and, from all indications, due to continue that way in Aug. "This might well mean that advertisers who want 60-sec. spots in which to tell their stories at efficient costs will have no alternative other than to make long-term commitments," BAR predicted. Other BAR findings: The price of 60's has been raised by many stations, but not so with 20-sec. spots, which are to be found more easily. Ten-sec. announcements seem to be next to 60's in advertiser preference.

**IDs are up:** More firms are pouring more dollars into TV IDs, said TvB last week in reporting a healthy rising curve reflected by a Rorabaugh study of spot TV expenditures. The total ID expenditure in 1958 was \$56,825,000, up 16.3% from 1957's \$48,856,000, which ran 4.4% ahead of 1956's \$46,806,000. A total of 189 different firms (vs. 1957's 159 & 1956's 155) spent \$50,000 or more in TV IDs last year.

## Film & Tape

**Republic's Future:** Since Los Angeles financier Victor Carter acquired the controlling stock in Republic Pictures early this month, there has been a growing belief that he intends to get back into TV—and perhaps movie—production. Carter is unavailable for comment and his associates are understandably taciturn. The situation is delicate inasmuch as Republic—when owned by Herbert J. Yates—sold its post-1948 movies to TV without paying Hollywood talent guilds or negotiating any kind of a deal for such payment. Result: the guilds placed Republic on their "unfair" lists, which made it impossible for any actor, director or writer to work for Republic, and which, of course, meant the studio was automatically out of production.

This didn't deter Yates because Republic hadn't been in production for some time anyway. However, Republic is rapidly running out of old movies & TV films to sell to TV. One report has it that Carter may change the company's name and proceed on the assumption that what Yates may have done cannot apply to him. He has not yet contacted the Hollywood guilds.

In any event the guilds on the Coast are watching the situation closely. Screen Directors Guild exec. secy. Joe Youngerman told us he had heard the reports about Republic resuming production, but so far had received no word from Carter. "I plan to contact him when he returns to Hollywood," he said. "If a new company is formed, the situation becomes a legal problem." Screen Actors Guild spokesman Buck Harris told us flatly that such a corporate change would make no difference in SAG's attitude. "Vic Carter is Republic," he commented. "He has taken over the company." Michael Franklin, exec. dir. of Writers Guild of America West, which also has Republic on its "unfair" list, told us: "We'd have to look at their stock structure, but I can't see where a mere change in ownership & name would preclude us from seeking our rights. We don't purpose to sit out in the cold and do nothing about this, if it should come about. We would have to look at the legalities involved."

**The Troubled Shooters:** The peccadillos of the stars have always haunted TV sponsors & agencies, and when a Keenan Wynn squabble with his wife recently broke into the headlines, the sponsor winced. Accused by the lady of striking her, Wynn not only admitted it but remarked nonchalantly, "All women should be beaten regularly."

It was this comment, more than anything else, which prompted Marlboro, sponsoring Wynn's new TV series *The Trouble Shooters*, and agency Leo Burnett, to want out. But the series, scheduled to begin Sept. 11 on NBC, has 13 episodes ready.

How to find a way out? Last week they went to Hollywood for a look at the telefilms. Previously they had considered exercising a clause having to do with "personal dissatisfaction" with the star, but this would mean reimbursing Meridian Productions for \$600,000 already spent on the United Artists series. Next they considered a loophole about scripts not being delivered on time. But when the production company came up with a valid reason for the lateness, this, too, was rejected.

Marlboro & Burnett ultimately decided that despite Wynn's unwanted headlines, they would proceed with the venture. Remarked Allen Rivkin, former producer of the series (Frank P. Rosenberg last week was named as the new producer): "Why, this sort of publicity will help Keenan. He comes off as a real man."

## HOLLYWOOD ROUNDUP

Bing Crosby Productions is negotiating with NBC for its *Lincoln Jones* pilot, made for ABC, but for which the network couldn't find a time slot . . . ABC's Oldsmobile-sponsored Bing Crosby special (Sept. 29) has lost guest Dean Martin to Ford. A sponsor conflict arose when Martin, originally slated to appear on Timex specials, switched to the Ford series instead.

Filmaster Productions has begun production on 39 episodes of *Death Valley Days* at Republic. U.S. Borax & Chemical Corp. sponsors . . . American Television Productions, headed by Albert J. Cohen, is preparing pilots on 4 series: *25 Rue d'Americaine*, *On 5th Avenue*, *Girl About Town*, and *The Holy Terror* . . . Warner Bros. had a record production tempo in TV last week, with 11 telefilm companies shooting, and 12 shows in preparation.

Oral contract between NBC-MCA for *Whispering Smith* apparently was too quietly spoken, because MCA believes the network ordered 26 segments; NBC says 13. Result: the Revue Productions Western won't go on as planned in the fall. The outlook now is for a Jan. getaway, if the hassle is settled.

Filmaster Productions has acquired rights to the "Mrs. Candy" novels from Doubleday & Co. and the estate of author Robert Tallant, and plans a half-hour telefilm series . . . George Bilson will produce a series of 260 5-min. telefilms called *What's the Law?* He obtained the rights to "Law," a human interest-legal syndicated column, from N.Y. attorneys Jack & Michael Strauss . . . George Production's pilot telefilms of *Rube Goldberg Inventions* go into production at Gen. Service Studios in Aug.

A second VTR Mobile Productions Inc. mobile video tape unit goes into operation in Hollywood in Aug. The company is owned by Irvin Atkins, Bill Kayden, Dave Carson and Hank Gilbert. A new \$300,000 unit bought by the company will be used for John Guedel's *On the Go*. VTR's present mobile unit will become a rental unit after VTR completes its purchase from Guedel & Art Linkletter, who presently own it. Rental charges will range from \$1000 to \$2000 a day.

Muriel Davis, 18-year-old former Olympic gymnast, was signed last year for \$20,000 annually by producer Ken Murray and RKO Teleradio to star in *El Coyote*, an adventure teleseries. She collected her salary although RKO didn't produce the series, but turned it over to ABC instead. This year, ABC, although not making the series, is keeping Miss Davis on the payroll at \$25,000 just in case. That's \$45,000. Miss Davis is spending the year improving her mind at the U. of Ill.

Art Theatre of the Air Inc. is releasing 52 foreign, post-'54 movies, the titles are undisclosed. The package reportedly contains British, French and Italian films featuring such stars as Ingrid Bergman, Sophia Loren, Brigitte Bardot and Gina Lollobrigida. Video Artists Inc. is handling distribution.

"The Killers," produced as a feature film by Mark Hellinger in 1946, will be adapted for CBS's first 90-min. Hemingway special next season, with Anthony Franciosa as the most likely candidate for the starring role of "Swede."

CNP Canadian sales soared 65% during 1959's first-half compared with the same 1958 period, reports v.p. & gen. mgr. Jake Keever. Cal. Natl. Productions' Canadian distributor, Fremantle, attributes the half-year high to north-of-the-border TV expansion (55 stations, 3.5 million sets) and new practicability of dubbing film into French.

## NEW YORK ROUNDUP

NBC is negotiating to buy CBS's ownership in Four Star's *Richard Diamond, Private Detective*. The series has been on CBS for the past 2 years, and NBC has an open spot for it but is reluctant to have CBS Film Sales syndicating the 52 *Diamond* episodes already shown.

Movie attendance continues to increase and is leading the film industry to its first major upturn in a decade, reports researchers Sindlinger & Co. Total movie attendance in May & June 1959 was up 17.3% & 6% respectively over the same 1958 months. Drive-in theatres, which pace the gains, were up 34.8% in May-over-May & 10.5% in June-over-June. Total June 1959 attendance for all theaters was 29% greater than for the previous month.

CBS is selling the Alvin Theater, 1319-seat legitimate house owned by the network since 1946, to Max & Stanley Stahl, owners of Mark Hellinger theater. Negotiations for the sale were handled with CBS by Stahl attorneys McLaughlin & Fougner.

MCA-TV's Paramount feature package has grossed close to \$60 million to date, nearing Paramount pres. Barney Balaban's projected figure of a "\$75 million gross by 1960" (Vol. 15:23), MCA tells us.

ABC Films' *The People's Choice* picked up 12 additional markets last week, while *The Adventures of Jim Bowie* added 17 stations in the past month.

Four Star Films' *Tales of the Plainsman* has been slotted for NBC-TV's Thurs., 7:30-8 p.m. spot next season. No sponsor as yet . . . Another Four Star series, *Richard Diamond*, is almost a sure thing in the network's Mon., 7:30-8 p.m. slot.

Old film series never die, they just go on & on in syndication. Ziv's *Economee TV*, oldest & biggest of the low-priced rerun offshoots of syndication majors, last week reported that sales for the first 6 months of 1959 were 62% higher than the same period last year. The gain was marked, *Economee's* gen. mgr. Pierre Weis noted, by "a growing trend to programming of action-adventure shows with strong appeal to women in daytime." Ziv oldies sold by *Economee* include *I Led 3 Lives*, *Boston Blackie*, *Martin Kane* and *Science Fiction Theatre*.

TV quiz-show grand jury presentment should be released, the N.Y. Citizens Union asserted last week, on the ground that "there was suspicion that the public had been 'hoaxed' by the shows." The union contends that suppression of the grand jury report would have an opposite effect of "persuading the public that everything is hunky-dory."

Marlene Dietrich, filmdom's durable glamor symbol, may join the ranks of TV salesladies like Betty Furness, Julia Meade, and Barbara Britton. William Morris Agency is currently arranging a \$2-million, 3 yr. deal for the actress in N.Y. to be "product spokeswoman" in the Revlon-sponsored series of 15 Goodman Ace specials this fall on NBC-TV.

Station group buying is emerging again in the telefilm field. Included in ITC's first round of sales on *4 Just Men*, now launched in syndication, is a group deal with Crosley stations in 5 markets.

MCA-TV has picked up 2 additional markets for its Paramount features package, with sales to KCMO-TV Kansas City, Mo., and WTRF-TV Wheeling, W. Va. The current total no. of stations airing MCA-sold features: 59.

United Artists Associated is moving its N.Y. office to the 11th floor of 247 Park Ave. July 27 (telephone Murray Hill 7-7800).

# Trade Report . . . .

JULY 27, 1959

**'TUNNEL DIODE' MADE TO ORDER FOR TV:** Make way for the tunnel diode, latest of electronics' mighty mites. This wonder baby, due to mature and report for work in 2-4 years or sooner, is made to order for battery-operated portable TV, uhf sets, tiny FM sets and many military items.

Now being perfected by GE—and available in sample quantities for circuit-development purposes in couple of months—is latest "transistor replacement," and it looks like real "major breakthrough," to borrow much-overworked phrase from electronics press agents. Based on principle noted in Jan. 1958 by a Japanese scientist, tunnel diode can be made smaller than transistor and does many things a transistor does—but better. It works on entirely different principle. And GE promises it will be cheaper & easier to produce than transistor. Consider these advantages which will make it ideal for TV amplifier & oscillator uses:

(1) High oscillation frequencies. The high frequencies required for TV-FM have been among biggest obstacles to use of transistors in past. Tunnel diode, even at this developmental stage of game, will oscillate at frequencies as high as transistors have attained to date (higher than 2000 mc).

(2) Low noise. Tunnel diodes already have been built with noise level 10 to 30 times lower than transistors, 3 to 9 times lower than triode vacuum tube. Their only competition in low-noise amplification are the expensive parametric amplifiers & masers. This will mean far more sensitive TV sets, uhf circuits as sensitive or more sensitive than vhf is now—probably at no greater cost. If tunnel diode meets its advance billing, work being done by some TV manufacturers to adapt expensive & ticklish parametric amplifiers to TV circuits (Vol. 13:9) now may be discontinued.

(3) Low power requirements. Developmental tunnel diode requires one millionth of a watt for operation, as opposed to a thousandth for a transistor, about a tenth for triode tube—another advantage in portable TV-radio use.

Versatility of unit is amazing. GE explained in N.Y. last week, for example, that single tunnel diode can perform simultaneously all of these functions in an FM receiver: amplification, oscillation, conversion, limiting, detecting & AFC. This can make possible—and soon—the true wrist-watch radio transmitter or receiver, at a reasonable cost.

Because of wide variety of military, space & atomic energy uses, perfection of this new tiny semiconductor is expected to come rapidly. Consumer electronics will benefit more quickly as a result.

**NEW PROPOSAL TO COMBAT IMPORTS:** Don't expect any help from Govt. in combating inroads of Japanese imports. It's industry's lone fight, perhaps with an assist from organized labor. That's word from EIA leaders and component industry figures with whom we talked last week. One top EIA official has a plan—which he intends to propose at the trade association's fall meeting—to push "buy American" program as weapon against imports.

Most parts makers see automation as best solution to Japanese competition. Their business is booming now, however, and they've suffered very little as result of electronic items shipped in from overseas.

Due to be proposed at EIA's fall meeting by EIA treas. Leslie F. Muter, pres. of The Muter Co. (speakers & components) is this 2-part program: (1) Strong "buy American" campaign, with industry & labor backing, and (2) legislation to require any product containing foreign parts to clearly indicate this fact in legible fashion on the cabinet. (Muter specifies letters not less than one-eighth-inch high.)

"We can't do anything with the Commerce Dept. or ODCM [Office of Civil & Defense Mobilization]," Muter told us—referring to long-time EIA efforts to bring to attention of govt. authorities the necessity to preserve all U.S. electronic production & research capacity in case of mobilization emergency. A veteran of import wars, Muter saw Christmas-tree light business shot out from under his own company by Japanese products, has been tireless campaigner for action to fight imports. He holds no grudge against set makers who are dealing or contemplating dealing with Japanese, however. "They had to protect themselves," he said.

He agrees with other parts makers that impact of imports on parts industry is concentrated in transistor radio field—the 2.5 million units imported last year meant fewer orders for U.S. radio parts. Imports are making inroads only in field of "high-labor-content" items—such as transistors & tiny loudspeakers (but not big ones).

Where labor isn't big percentage of cost of a part, Japanese are at a disadvantage. Muter points out, for example, that first U.S. speakers for transistorized miniature radios cost manufacturers \$1.06 each—then along came the Japanese with a unit for 53¢ (plus duty & shipping charge). "But they still can't compete in the field of large speakers, where materials represent most of the cost and shipping charges are high."

Not that components business is suffering—it isn't. Spurred by military orders plus brisk consumer demand for TV-radio-stereo, parts makers are enjoying healthy upsurge. But there is concern about future.

EIA parts div. v.p. Russell E. Cramer Jr., v.p.-secy. of Radio Condensor Co. (tuning capacitors, etc.), put it to us this way: "We are seriously alarmed about what can happen. The threat is there, and we are not going to get any help from our Govt. So we are fighting with our best possible tools—'buy American,' with service and engineering quality the Japanese can't touch, and with salesmanship."

His company is "loaded with orders" now, says Cramer, and aim is to get as close as possible to complete automation. Labor represents 30-35% of cost of a tuning capacitor—"but nevertheless our cost is only about 18% higher than the Japanese for equivalent capacitors."

Similar sentiments came from Ray F. Sparrow, exec. v.p. of big capacitor-maker P. R. Mallory & Co. "The Govt. in the long pull can't do anything about the situation. The competition now is primarily in the field of radios & transistors. Sooner or later, the manufacturers are going to have to mechanize as completely as possible. Then foreign competition will be less & less effective."

"We haven't felt the competition in our business," said Sparrow. "Labor isn't nearly the same percentage of cost in capacitors as in transistors. The only effect we've really felt is in finished products which are made in Japan and therefore don't use American parts."

"I don't see that any component makers have been suffering," said v.p. Jesse Marsten of International Resistance. "The radio manufacturers are hurting—they're first in line. But I haven't seen any Japanese resistors coming in—not like they did during the stratospheric rise of TV in the early '50's when U.S. industry didn't have the capacity to supply the parts. Of course the transistor situation is the worst, because of the high labor content . . . Automation is the answer."

**OPTIMISM HIGH DESPITE STEEL STRIKE:** If steel strike lasts more than 6-7 weeks, consumer electronics industry will feel its impact strongly—along with rest of economy. That's conclusion of TV-radio & parts manufacturers with whom we discussed situation last week. Barring long strike, however, general economic indicators point to continued consumer spending.

TV-radio-phono and electronic parts manufacturers, who don't depend heavily on steel anyway—using only about 100,000 tons of cold rolled sheet a year—have generally stocked up on their steel requirements into Oct. or later, in anticipation of the strike. "If it's a 3-month strike," one manufacturer put it, "we won't need any steel, because nobody will be buying anyway."

Business barometers are all to the good—again barring long strike. Gross National Product rose to record level during 2nd quarter, Govt. estimated. Personal income after taxes also set record, even after discounting reduced value of the dollar. Consumer spending increased sharply.

More people are in mood to buy, U. of Michigan's Survey Research Center reported. May-June study showed consumers' desire for new appliances was at least 10% greater than year earlier. It foresaw no buying spree, but reported that people generally feel they are better off than year ago, that many more are looking forward to "good times in the year ahead" and that increasing number believe now is "good time to buy."

**TV-RADIO PRODUCTION:** EIA statistics for the week ended July 17 (28th week of 1959):

	July 10-17	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV .....	83,907	73,087	56,130	2,945,939	2,305,430
Total radio .....	198,703	198,096	161,756	7,507,557	4,915,651
auto radio .....	59,425	71,369	49,771	3,031,415	1,557,709

Average TV set price declined from May to June—one of few categories to show a drop as Labor Dept.'s Consumer Price Index climbed to all-time high in biggest monthly jump since March 1958. The index as a whole went up 0.4%, while consumer durables climbed 0.1%. In addition to TV, price declines were registered by new cars, fuel oil, plumbing & heating equipment, some apparel.

Many TV set owners think they're buying all-new picture tubes when they're getting rebuilt ones, Kimble Glass Co. v.p. J. P. Kearney says, citing a survey made for Kimble by National Family Opinion Inc. He said the survey showed that 79% of families interviewed thought they had bought "new" tubes, although only an estimated 20% of replacement picture tubes sold actually are all-new.

**New Philips Combine:** Formation of a new electronics-electrical-pharmaceutical firm with sales totaling more than \$90 million annually and a net worth of \$50 million—composed largely of Philips companies in the U.S.—was started last week (Vol. 15:15).

The new company would be called Consolidated Electronics Industries Corp., and would be made up of the present Consolidated Electronics, Philips Industries Inc., Central Public Utility Corp. and Advance Transformer Co. It would seek N.Y. Stock Exchange listing, replacing the old Consolidated Electronics stock. A subsidiary, Philips Electronics & Pharmaceutical Industries Inc., would be formed from Philips Electronics, Anchor Serum Co., Islands Gas & Electric Co. and Philips Roxane Inc. Listing for subsidiary would be sought on American Exchange.

Directors of Consolidated Electronics, Philips Industries and Central Public Utility approved the merger last week. Pieter van den Berg is expected to become pres. of the new combine—the same post he now occupies with the present Consolidated. The new company would be one of the 400 biggest in the U.S. and one of the 30 biggest firms in the electronics field. The Philips companies are virtually independent of Philips' Lamp Works (Netherlands).

**Admiral vs. Russia:** Display of a Russian TV set called "Admiral" at the current Soviet exhibition in the N.Y. Coliseum (Vol. 15:27) has resulted in a caustic protest by pres. Ross Siragusa of Admiral Corp.—U.S. Admiral Corp., that is. In a letter to exhibit gen. mgr. Alex N. Manzhulo, Siragusa claimed infringement of his firm's proprietary trade mark—registered at the U.S. Patent Office and in most countries. "We have no intention of starting an international incident," he wrote, "but we definitely want to safeguard our trademark." He asked the Russians to remove the set from the show and to refrain from selling any TV or radio set using the Admiral name.

Moving deeper into sound & hi-fi fields, CBS Electronics last week announced a licensing & distribution agreement with Ronette of Amsterdam, Holland. CBS will hold distribution & licensing rights in U.S. & territories for Ronette phono cartridges, microphones, pickup arms and other products. Ronette will be licensed to make & sell the Columbia CD phono cartridge in the European market. Ronette products have had wide distribution in the U.S. to phono makers & parts distributors by Ronette Acoustical Corp., N.Y., now succeeded by CBS Electronics. Another CBS department, Columbia Phonographs, is also in the import business, distributing transistor radios made by Columbia's Japanese affiliate.

Hazeltine has acquired Wheeler Labs, missile electronics engineering firm, as a wholly-owned subsidiary, Hazeltine chairman-pres. W. A. MacDonald & Wheeler pres. H. A. Wheeler announced last week. Wheeler will continue as pres. of the 12-year-old firm, which operates facilities in Great Neck & Smithtown, N.Y.

Sylvania Electro-Specialties is a new organization formed by Sylvania to market closed-circuit TV equipment. It will concentrate initially on Sylvania's new low-cost TV camera, now in pilot production. Bernard O. Holsinger, former Sylvania sales prom. dir., is dir. of marketing of the new department.

Two or more sets are owned by 25% of metropolitan Detroit families, according to a survey by U. of Michigan's Detroit Area Study. Other area TV facts: About 5% of homes have 3 or more sets, 2% have color sets. Nearly 30% of families with children have 2 or more sets.

**FTC's Jingling Jungle:** A short expedition into "the strange little world of FTC Chairman Earl W. Kintner" is undertaken by *NARDA News* in its July 13 issue. It returns with the conviction that FTC, in effect, is fair to unfair competition. In an analysis of "The FTC & the Jungle Theory of Marketing," the publication makes the points that FTC sees no unfair competition in manufacturers selling to their own retail outlets at prices lower than they charge wholesalers who supply independent dealers; that FTC is opposed to pending Congressional "territorial security" bills which would permit manufacturers to allot definite sales territories to franchised dealers; that FTC disapproves of proposed legislation that would give wholesalers a "functional discount" on prices given by manufacturers to chain retailers who buy directly. The discount would enable the wholesaler to supply small, independent retailers at prices which would permit them to compete with the chains.

Editorialized *NARDA News* to its dealer readers: "Somehow, you just don't fit into that strange little world of Mr. Kintner. You keep cutting paths through his jungle, disturbing its natural state and defying its lion-eat-deer natural laws."

**Trade Personals:** John L. Burns, RCA pres., left by air July 21 for Europe, where he'll visit U.S. Exhibition in Moscow as well as Rome, Berlin & Paris . . . Thompson H. Mitchell, RCA Communications pres., is serving as special communications advisor on the Vice Presidential party's tour of the Soviet Union.

Larry L. Malin promoted from Admiral regional sales mgr., Cleveland, to new post of field merchandising supervisor . . . Ben Goldner named mfg. v.p., Dynamic Electronics-N.Y. Inc. . . . Zeus Soucek, ex-Du Mont & Bendix, one-time pres. of Philharmonic Radio, promoted from General Mills mechanical div. general mgr. to v.p. & head of new Washington office (Solar Bldg., 16th & K Sts., N.W.).

Thomas E. McCarthy named PR mgr., Sylvania Electronic Systems, headquartering in Waltham, Mass.; Robert S. Mason, ex-sales engineer, eastern region, named entertainment equipment sales mgr. for eastern seaboard, headquartering in Teterboro, N.J.; Eugene M. Sorensen promoted from sales engineer to industrial equipment sales mgr., midwestern region . . . Sid Weiss, ex-American Electronics, named district mgr. of Orr Industries' new southern Cal. sales office (1715 E. Walnut St., Pasadena).

Emmet Cameron named exec. v.p., Varian Associates, continuing as gen.-mgr. . . . Richard L. Lawrence, ex-Gianini, named adv. & sales promotion mgr., Hughes semiconductor div.; Alexander F. Brewer promoted from head of missile electronics section to technical dir., Hughes products group . . . Fred E. Burnham named Litton Industries' Md. div. mgr. of antenna & Microwave section.

David D. Coffin promoted from v.p.-mgr. of Raytheon missile systems div. to group v.p.-govt., succeeded as mgr. by T. C. Wisenbaker, former asst. mgr.; Homer R. Oldfield elected v.p., continuing as govt. equipment div. mgr.; E. Nevin Kather promoted from asst. mgr. to mgr., microwave & power tube div.

Control of Cornell-Dubilier Electric Corp. has been acquired by 4 top officials of Federal Pacific Electric Co., Newark, N.J., producer of electrical distribution & control equipment. Federal Pacific pres. Thomas M. Cole, chairman Louis W. Cole, exec. v.p. Frank H. Roby, and sec.-treas. Edward Bierma obtained 25% of Cornell-Dubilier stock, were elected to the firm's 7-member board.

**Telechrome Expansion Continues:** Telechrome Mfg. Co., Amityville, N.Y., which started in 1950 as a developer & manufacturer of color telecasting equipment, continues to expand its activities. Following its absorption of Encapsor Products Inc., maker of solid-state encapsulated circuits, early this year (Vol. 15:6), it is now "working on a number of situations," according to pres. J. Raymond Popkin-Clurman.

Among the firms with which Telechrome is discussing possible acquisition is Hammarlund Mfg. Co., old-line maker of amateur radio & communications equipment. Popkin-Clurman says this "situation is now approaching some kind of disposition," but no agreement has been reached. Among the "many other" with which Telechrome is talking is a plastics firm.

Telechrome is also "taking over the general management, policy and planning" of Universal Transistor Products Corp., Westbury, N.Y., using funds obtained by independent financing. Universal has been operated by a court-appointed trustee since last February when it filed for reorganization under a Chapter X petition. Said Popkin-Clurman: "Telechrome receives from Universal and its major stockholders & creditors a substantial percentage of Universal stock and most of the outstanding notes against Universal. Although Telechrome will have an option to acquire over 80% of Universal stock over a period of time, initially Telechrome's interest in Universal will be substantially less than 50% and will be considered purely as an investment."

Universal's trade creditors will be paid 100% over a period of years, says Telechrome, and many other debts will be paid off in the first few months. The reorganization "will provide Universal with a balance sheet showing substantial net worth with sufficient cash to continue business in a normal manner." Universal makes transistorized power supplies and radiation detection equipment.

Despite this widespread diversification, broadcasting & test equipment for broadcasters still comprise a third of Telechrome's business, according to Popkin-Clurman. Among recent large orders signed by the company was \$250,000 worth of studio & test equipment (including color gear) sold during Popkin-Clurman's recent trip to Japan.

**EIA appointments:** Robert T. Borth, GE, was named chairman of EIA's new congressional information committee, which will function under the policy supervision of the legislative policy committee. August Diener, P. R. Mallory & Co., is the new chairman of the credit committee, with William F. Trace, Westinghouse, vice chairman of the committee's western group and Albert Wilkens, Clarostat, vice chairman of the eastern group. Robert F. Chambers, Hycon, was appointed chairman of the exec. comm. of the western branch, military relations dept. The military relations dept. also announced appointments of these committee chairmen: George Hogg Jr., Westinghouse, accounting & cost principles; A. David Russell, Sylvania, facilities & govt. property; Frank E. Greene, RCA, general contract provisions; Elmer J. Gorn, Raytheon, patents & copyrights; C. L. Covington, Texas Instruments, renegotiation; Edwin P. James, Collins Radio, termination.

**Fair Trade Dies:** Federal legislation permitting brand manufacturers to fix retail prices on their products—sought by NARDA & other trade organizations—was killed last week. Following June hearings, a special Senate Commerce subcommittee headed by Sen. Thurmond (D-S.C.) decided that "no action would be taken this year."

## Finance

Time Inc. reports first-half revenues from its publishing, broadcasting & paper products activities set an all-time half-year record, and net income was 13.2% over the comparable 1958 period. (Time's stations: KLZ-TV & KLZ Denver, WOOD-TV & WOOD Grand Rapids, WFBM-TV & WFBM Indianapolis, WTCN-TV & WTCN Minneapolis, plus KTVT & radio KDYL Salt Lake City both of which are now subject of sale negotiations with Columbia Pictures.) For 6 months ended June 30:

	1959	1958
Revenues .....	\$131,802,400	\$124,410,000
Net income .....	6,043,800	5,340,000
Earned per share .....	3.09	2.73

Storer Bestg. Co. reports net profit of \$2,714,549 (\$1.09 a share) for 6 months ended June 30, including \$582,417 net capital gain on the sale of radio WAGA Atlanta. Excluding this capital gain, 6-month earnings were \$2,132,132 (86¢ a share) vs. \$1,729,620 (70¢) in first-half 1958. Earnings for 2nd-quarter 1959 totaled \$1,690,366 (68¢) vs. \$1,107,949 (45¢) for the same 1958 period. Storer also reported last week that its purchase of radio KPOP Los Angeles (Vol. 15:15, 17) was consummated June 30.

Arvin Industries' earnings for first-half 1959 were more than triple those of the 1958 period, while sales were up about one-third. For 6 months ended June 30:

	1959	1958
Net sales .....	\$32,115,771	\$22,774,922
Net income .....	1,095,084	290,759
Earned per share .....	97¢	25¢

For 3 months ended June 30:

Net sales .....	\$16,177,346	\$11,586,850
Net income .....	582,851	253,261
Earned per share .....	51¢	22¢

General Bronze Corp. reports for the 6 months ended June 30:

	1959	1958
Net sales .....	\$18,891,593	\$12,193,062
Net income .....	531,105	261,182
Earned per share .....	1.39	69¢
Shares outstanding .....	382,317	380,377

International Resistance reports a sharp improvement in earnings for the 25 weeks ended June 21, and pres. Charles Weyl said "it appears likely that the profits for the full year will set a new record for the company." For 25 weeks ended June 21:

	1959	1958
Net sales .....	\$9,409,128	\$5,846,958
Net income (loss in '58) .....	927,601	(71,248)
Earned per share .....	68¢	—
Shares outstanding .....	1,370,198	1,354,298

Reports & comments available: Electronics stocks, special report by Bache & Co., 35 Wall St., N.Y. . . . Industro Transistor Corp., prospectus, Hardy & Co., 30 Broad St., N.Y. . . . Seeburg Corp., prospectus, White, Weld & Co., 20 Broad St., N. Y. . . . Fanon Electronic Industries, prospectus, L. D. Sherman & Co., 39 Broadway, N.Y. . . . CBS, report, Thompson & McKinnon, 11 Wall St., N.Y. . . . Sprague Electric, review in *Investor's Reader*, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. . . . Daystrom, analysis, Butcher & Sherrerd, 1500 Walnut St., Philadelphia.

### Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Desilu Productions ..	—	\$0.15	Aug. 28	Aug. 14
Oak Mfg. Co. ....	Q	.25	Sep. 15	Sep. 1
Paramount Pictures ..	Q	.50	Sep. 11	Sep. 1
Speer Carbon (new) .	—	.17½	Sep. 15	Aug. 28
Sperry Rand .....	—	.20	Sep. 24	Aug. 13

**RECORD SALES FOR RCA:** Sales of RCA, it was announced last week, established a new first-half record of \$633.7 million, and profits were \$19.4 million, 44% higher than the \$13.5 million recorded in first-half 1958. Second-quarter profits were also up 44%, while sales increased 18%.

Pres. John L. Burns attributed the increases largely to "the steadily broadening base of RCA's activities; contributions to sales & profits by new divisions as well as expansion of others, and continuing results of the profit-improvement plan announced last year, which has brought about higher operating performance & lower costs."

RCA's report for 6 months ended June 30:

	1959	1958
Sales .....	\$633,700,000	\$542,600,000
Profit before taxes .....	38,800,000	27,000,000
Net profit .....	19,400,000	13,500,000
Earned per share .....	1.29	86¢
Shares outstanding .....	13,848,696	13,843,394
For 3 months ended June 30:		
Sales .....	\$311,900,000	\$264,200,000
Profit before taxes .....	13,000,000	9,000,000
Net profit .....	6,500,000	4,500,000
Earned per share .....	41¢	27¢

General Transistor stockholders last week approved a 2-for-1 stock split and voted to increase authorized stock from 750,000 to 2 million shares.

**Desi & Lucy in Financeland:** At Desilu Productions' first public stockholders meeting in Hollywood last week, pres. Desi Arnaz announced that first-fiscal-quarter (ending Aug. 1) profits will equal the total net profits of around \$249,500 (22¢ a share) for the entire fiscal year ended May 2. And, he added, second-quarter profits should exceed the first, bringing the first-6-months net to double the profit for all of last fiscal year. Arnaz said the quarterly increase was estimated on Desilu's current contracts, which will gross not less than \$23.5 million this season, a hike of \$3 million or 15% over the last fiscal year.

At times the gathering resembled an *I Love Lucy* version of a stockholders meeting, particularly in the Q-&A session. Asked one attractive blonde stockholder: "How do I get a job as a gangster's gal in *The Untouchables*?" Arnaz suggested she see producer Quinn Martin. Another stockholder asked if the pres. and v.p. (Desi & Lucy) would give autographs after the meeting. They obliged—as did board member George Murphy. Asked about oil prospects at Desilu Culver studios, Arnaz quipped: "I've got the vinegar and if we get the oil, we'll have a helluva salad in Culver City."

Arnaz told stockholders it would be necessary during the next 7-month production season to use about \$3 million of interim financing from the Bank of America. He also reported Desilu's new series, *The Untouchables*, as sold to the ATC group in Australia, although production won't begin until next month. Negotiations are also underway for the two 60-min. "Untouchable" shows seen on *Desilu Playhouse* to be released in England & other areas abroad. Stockholders unanimously approved a stock-option plan to offer up to 3000 shares to employees who agree to remain with Desilu for at least 13 months following granting of options. Maximum aggregate per employe would be 45,000 shares.

Loew's Inc. reports a strong recovery in the 12- & 40-week periods ended June 4. Included in the gross figures below, TV revenues for the 40-week period totaled \$12,050,000 compared with \$9,757,000 for the same 1958 period; records & music divs. raised their gross to \$9,225,000 from \$7,011,000; and film production-distribution operations brought in \$5,423,000 compared with a loss of \$7,114,000.

	1959	1958
Gross revenues .....	\$103,445,000	\$86,514,000
Net earnings (loss in '58) .....	6,157,000	(683,000)
Earned per share .....	2.31	—
For 12 weeks to June 4:		
Gross revenues .....	\$31,073,000	\$28,620,000
Net earnings (loss in '58) .....	1,359,000	(106,000)
Earned per share .....	51¢	—

RKO Teleradio (WNAC-TV & WNAC Boston, KHJ-TV & KHJ Los Angeles, WOR-TV & WOR N.Y., WHBQ-TV & WHBQ Memphis, radio stations KFRC San Francisco & WGMS Washington and 1/3 of CKLW-TV & CKLW Windsor-Detroit) had a net profit of more than \$3.6 million in the 6 months ended May 31 and should net \$6.5 million for the fiscal year. So said M. G. O'Neil, exec. asst. to the pres. of parent General Tire & Rubber Co. last week. RKO Teleradio had a net loss of \$237,377 last year as a result of liquidation of its motion picture operations.

Stanley Warner Corp. the diversifying theater chain which owns WAST Albany, reports improved sales & earnings for 39 weeks ended May 30:

	1959	1958
Sales, etc. ....	\$92,869,840	\$84,952,976
Net income .....	3,591,330	1,706,017
Earned per share .....	1.77	83¢
Shares outstanding ....	2,025,399	3,028,399

## DON'T PASS THE BUCK (SLIP)

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AUTHORIZED BY: \_\_\_\_\_