

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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WHAT CAN HAPPEN NOW? Ignited by the quiz scandals, demands that "somebody do something" about TV are going to flare again & again from more & more powerful forces during this critical phase of TV's development. Let's step back and try to evaluate the prospects for remedies currently proposed:

(1) Censorship? Of course not. No explanation needed. Entirely counter to the American tradition.

(2) Industry self-discipline? Of course. It's under way, firmly. A "czar"—the "strong man" to lead & protect? Most unlikely. No industry sentiment for it.

(3) Govt.-subsidized network, as an example & competitor for commercial networks? Not a chance. Can you see Congress voting money for this? Outright grants to ETV stations are something else—probable, eventually. But Congress won't authorize federal operation of ETV network or stations.

(4) Direct regulation of networks by FCC, via new law? Likely—but not fundamentally significant. FCC has always been able to reach networks through their licensed o&o's. May be "untidy" administratively, but it works.

(5) Iron curtain between sponsors & programs? Let advertisers buy spots, not programs, as in Britain? Fair possibility—led by networks and backed by FCC & Congress with new rules or laws.

(6) Protect broadcasters from fraudulent outside TV producers? Yes. Congress will pass law to punish those who deliberately deceive.

(7) Stricter FCC regulations? Yes. This is the most important factor. It won't come from any new law. Existing laws are broad enough to permit Commission to take licenses away. But FCC won't go that far. It will ask more questions of licensees, call some on carpet, give them uncomfortable time. In short, the old "lifted eyebrow," control by pressure—by "threat," if you will.

Much depends on composition of the Commission. Its current leader, Chmn. Doerfer, and his majority are most reluctant big-stick wielders. Next year's Presidential election is crucial. If Republicans win, abrupt policy change is unlikely. If Democrats are in, great deal depends on new chairman. If Democrat Comr. Robert Bartley succeeds to chairmanship, and his chances are considered good, things will be tougher. If it isn't Bartley, things are bound to be at least somewhat tighter—regardless of who the chairman will be.

One more thing—Rep. Harris. This Democrat from Ark. has been a surprise. Unquestionably, he relishes the stir his subcommittee has created by breaking into the quiz situation and giving it a Washington dateline after it flared & died in N.Y. a year ago. But unquestionably, too, he has shown a restraint that many congressmen just don't have.

'PAYOLA' PROBES MAY BE NEXT TV HEADACHE: There's enough hot newspaper copy in mushrooming TV quiz scandal stories (see p. 4) to keep Congressional investigators happily busy—and the industry painfully apprehensive—far beyond this week's scheduled windup of Washington hearings.

And more trouble for harassed TV may come even after quiz sensations peter out. House Commerce Committee Chmn. Harris (D-Ark.) hasn't indicated where his legislative oversight subcommittee will turn next. But it's known that his staffers, under instructions not to talk about it, already are looking into another industry-embarrassing angle—music "payola."

FCC is doing some diligent research on its own, too, to see whether music publishers' practice of under-table payments for on-air performances violates Communications Act's Sec. 317. It's captioned "Announcement that Matter Is Paid For" and it requires broadcasters to disclose use of material "for which service, money, or any other valuable consideration is directly or indirectly paid."

"Payola" practice "has bloomed into big business for independent TV package producers," Variety reported last week. "The payoff is tremendous, running into millions of dollars annually, and makes the money involved in the rigging of TV quiz shows seem like peanuts by comparison."

"Quiz Show Scandal Unrolls Tin Pan Alley Crying Towel," said Billboard in headline over similar story. It told how ASCAP publishing houses have made mutually-profitable deals—now jeopardized by quiz exposes—with TV producers & music directors for music plugging in variation of oldtime disc-jockey pay-off custom carried over from radio.

TV packagers would be first in line of fire if Harris's hunters start drawing investigative beads on this form of hanky-panky on air, which is full of background music, fanfares & songs. But networks wouldn't escape blame for any musical sins of packagers—just as they aren't escaping responsibility for question-&-answer rigging of packaged quiz shows.

Headline buildup for Charles Van Doren as star Nov. 2 quiz witness before House overseers reached new type-size heights meanwhile. What he says—or doesn't say—in his delayed subpoenaed appearances about his \$129,000 success in 1956-57 on NBC-TV's Twenty-One (Vol. 15:43 p4) is sure to get sensation treatment. Van Doren was expected to insist that he be heard in private by subcommittee before taking public stand. Star billing this week also goes to the producers of CBS-TV's \$64,000 Question & \$64,000 Challenge. (Sponsor Revlon told us that nobody from the firm had been subpoenaed or invited.) And NBC-TV & CBS-TV executives have return engagements. CBS-TV pres. Louis G. Cowan, bedded at Columbia Presbyterian Medical center with a thrombosis of the left leg, was interviewed there by a subcommittee investigator. The Harris group, which had not yet heard whether Cowan would appear in Washington, sought a full report on his medical condition. Doubt that he would appear was expressed by CBS sources, who said they expected Cowan to be hospitalized for "at least 2 more weeks."

Oversighters were doing their best to heighten atmosphere of mystery & suspense over what's in store for public at hearings. All inquiries at subcommittee offices for names of cast of characters & other planned features of proceedings were turned away by staffers. Sounding like recording, they repeated set line: "Mr. Harris has left instructions that no members of the staff may discuss the plans of the subcommittee." Harris himself was back home in Ark., on barbecue-&-fence-building political rounds.

New entry in quiz act last week was Atty. Gen. William P. Rogers. Carrying out legislative "study" assignment given him by President Eisenhower (Vol. 15:43 p2), he called in CBS Inc. pres. Frank Stanton &

NBC pres. Robert E. Kintner for separate conferences on quiz problems. Also in huddles at Justice Dept. were deputy Atty. Gen. Lawrence Walsh and acting anti-trust chief Robert A. Bicks. Rogers will hold exploratory talks next with FCC & FTC to see what—if anything—Justice should do to help clear up quiz frauds, which President Eisenhower described as "terrible thing."

It was reported, too, that Internal Revenue Service had started to ask quiz questions. One IRS inquiry was said to involve \$10,000 paid by firm to one quiz staffer to arrange employe's appearance on program as promotion gimmick. IRS told us it tries not to miss "any revelation of an exchange of money," but wouldn't confirm or deny probe rumors.

STEEL SHORTAGE NIPS BILLINGS: Effect of steel strike on TV billings was being felt last week. Spot campaign in some 20 major areas for Chrysler's new Valiant compact car was cut back as of Nov. 7. Station reps were told Valiant would be back after steel hassle—but not before—despite determination of Chrysler to hit market hard before small-sized Chevrolets & Fords really get rolling in sales. Other cutbacks in spot campaigns for Chevrolet, Dodge, DeSoto are reported, largely on hiatus basis.

No major strike-caused network cutbacks have been reported to us so far. Big-budget sponsors like Plymouth, Ford, Chevrolet, and Pontiac on NBC-TV; Olds, Chevrolet & Dodge on ABC-TV, and Olds, U.S. Steel & Westinghouse on CBS-TV are hanging on grimly, hoping the steel situation will clear before they have to ask for in-season hiatus relief from networks.

Networks are understandably nervous over situation, particularly NBC-TV which practically cornered the market (over \$40 million in billings) in network TV auto business this season. Newspaper advertising has already been hit hard. Spot TV is being crimped. Only network TV and magazines are so far unscathed, but time was creeping up on these media last week. An early solution to the steel strike was the only answer.

SPOT PASSES NET TIME SPENDING: For the first time in history, advertisers spent more for spot-TV time than they did for network gross time in 2nd quarter of 1959, says TvB. The figures: \$158,904,000 for spot, as against \$152,861,000 for network. Trend was forecast earlier this year, when TvB announced in June that spot spending had pulled up to equal network, after edging toward it for several seasons.

This doesn't mean spot beats network in total spending by advertisers—spot production costs running, as they do, well below the costs for production of network shows.

WESTERN UNION INTO COAST-TO-COAST MICROWAVE: In one stroke, the Air Force has lofted Western Union into the transcontinental microwave business, heretofore AT&T's exclusive domain. But WU wouldn't say yet whether it'll be a competitor to AT&T in the TV or radio networking business.

WU put out brief announcement, and spokesman said it couldn't elaborate at this time because of agreement with Air Force. However, WU must file with FCC for the microwave authorizations, and its intentions should become known then. It may use system for its own commercial purposes, in addition to classified function for Air Force. Said Western Union:

"The new transcontinental leased wire system could provide, in addition to the Air Force broad-band data facilities, 2,000 telegraphic circuits simultaneously for Western Union's own expanding requirements. In addition to producing about \$5 million in annual revenues for the Air Force lease, the new beam system will provide Western Union with vastly augmented facilities for utilization in leasing other private wire & data processing systems, and for telegraph message, facsimile and other new company services."

Now that someone will foot the bill, it's assumed that WU will ask FCC to give it plenty of bandwidth, enough to carry TV. It's understood that Commission can make adequate space available. WU now has an Eastern microwave system linking major cities, but it goes only as far west as Chicago.

AT&T's coast-to-coast microwave system has slightly more than 100 towers, and it's expected WU's will be comparable. WU said towers will average 200 ft., about 25 miles apart. It wouldn't say how much it would cost, who would supply equipment, when it would file application or how long it would take to build.

WU drew attention last week on another front by announcing that it was offering a commercial facsimile service as of Dec. 1, linking Washington, N.Y., Chicago, Los Angeles & San Francisco.

ITT also got publicity last week when news leaks forced Post Office Dept. to acknowledge that ITT was conducting secret experiments under \$140,000 contract, looking toward mail transmission via facsimile.

Programming

1,001 QUIZ ANGLES: "This is the season," said an agencyman wearily to us last week, "when Madison Ave. should have stood in bed." Indeed, as Washington poised itself again to resume its quiz probe, management-level executives of networks, agencies & sponsors were confronted with another round of the type of developments that have made fall 1959 a clear winner for the title of "most nervous season." Everybody was getting into the act, and the air was filled with name-calling, feuds-in-the-open, sweeping suggestions for change, and packaged solutions to the crisis.

The most electrifying proposal was made Oct. 27 in N.Y. by Coty Inc. pres. Philip Cortney at a meeting of the usually-staid Sales Executives Club. Cortney, taking a haymaker swing at arch-competitor Revlon (which used to sponsor the two \$64,000 quiz packages on CBS-TV), called for an appearance before the House subcommittee of top executives of firms sponsoring rigged giveaways & quizzes. And, since sponsors benefited at the sales counter from commercials in such shows, he proposed that the "ill-gotten gains" of such sponsorship be given to charity.

Cortney's proposal was hardly likely to lower Madison Ave. blood pressures or the consumption of Miltown. Sales Execs. Club pres. Philip J. Kelly, who's a v.p. of Lynn Baker Agency, admitted that "efforts to cancel the luncheon program" had been made, and Cortney himself admitted that BBDO (now Coty's agency, but formerly Revlon's) had refused to place a print ad in which Cortney had made his suggestion, including a proposal that only "networks & stations be responsible for the . . . content" of TV.

Another proposal that networks assume the complete burden of program control with advertisers maintaining a hands-off policy was made in New York Oct. 28 by Rep. Chester Bowles (D-Conn.), who charged TV with "one-sided catering to an entertainment-hungry public" as well as "wholesale neglect" of its basic responsibilities. Urged ex-adman Bowles: "Complete disassociation of program & advertiser, with advertisers merely buying chunks of time as they buy chunks of newspaper space; an ending of TV's worship at the false altar of ratings; discontinuance of selling airtime to political candidates; recapturing the original meaning of the airwaves as public domain."

Quiz contestants continued to make their own set of headlines in N.Y. and elsewhere last week. Charles Van Doren and Hank Bloomgarden (who won a total of \$227,500 on defunct *Twenty-One*) were reported Oct. 29 to have admitted to N.Y. District Attorney Frank S. Hogan that they had received both questions & answers prior to appearances on the show. Van Doren, due to appear Nov. 2 before the House legislative oversight subcommittee, declined to elaborate, as did medical research consultant Bloomgarden who told the *N.Y. Times* to "go ahead & print what you want." At the same time, a new twist was given to the controversy surrounding ex-contestants by Richard Keith Clark, a 1958 winner of \$22,500 on *Tic Tac Dough*. In N.Y. Supreme Court, Keith filed a \$540,000 suit against NBC-TV, P&G, Barry-Enright and Howard Felsher, producer of the daytime-nighttime series. What Keith wanted was "a clean bill of health," he said, since "at no time" was he provided with answers and he "has been brought into public scorn, contempt and obloquy."

Within TV itself, arguments continued to echo. In London, Edward R. Murrow took sharp exception to CBS pres. Dr. Frank Stanton's quoted remarks (Vol. 15:43, p8)

that *Person to Person* had fed questions to guests in advance. He charged that Stanton's statement showed "ignorance" of production necessities on such interview shows. Stanton made no direct reply, but network publicity executives quickly stated that it wasn't a question of objecting to the production methods, but of labeling them clearly.

Stanton's housecleaning tactics, meanwhile, got a vote of confidence Oct. 27 at Pebble Beach, Cal., on the final day of a meeting of the CBS-TV affiliates board. As made public by William B. Quarton, newly elected bd. chmn. of the network's Affiliates Assn., and v.p. gen. mgr. of WMT-TV Cedar Rapids, a special resolution stated that "this board unanimously & without reservation endorses the action . . . in eliminating big-money TV contests from CBS-TV, in assuming full responsibility for content & quality of network programs, and in assuring the American public that what they hear & see on CBS programs will be exactly what it purports to be."

The nation's preoccupation with honesty stirred comments from non-entertainment fields: Sen. Neuberger (D-Ore.) put tongue in cheek & letter in the mail to CBS Inc. pres. Frank Stanton to suggest that his integrity code for comedy shows be applied to political programs. In Albany, Gov. Nelson A. Rockefeller told the 125th anniversary dinner of Emanuel Baptist Church that the quiz scandals are "tragic," have disillusioned millions. To AFL-CIO Committee on Political Education, the quizzes had a familiar odor, reminding it of "TV political productions which have emitted the same sort of stench."

* * *

The first post-quiz probe changes were going into effect at the network level last week. Admittedly, they were minor, but they bore the shape of things to come. On *Person to Person* (whose producers—see Vol. 15:42 p8—had already quit in a huff), program host Charles Collingwood began telling audiences that there had been pre-program sessions with guests concerning "what we will discuss, and in what order." On CBS-TV's *U.N. in Action* series, host Larry Le Sueur made it clear that UN personnel interviewed could request "the areas they will be called upon to discuss." On all 3 networks, video-taped shows were not subject to any uniform policy of labeling. Most just avoided the issue in introductions, we were told by program executives we queried. But, although few were self-identified as pre-recorded, none was being billed as "live from . . ." if the show was actually being unreel from a tape spool.

Network nervousness over the quiz situation—which had made all 3 webs positively gun-shy of anything that looks like "fix"—was demonstrated by NBC-TV, which dropped present plans for a press junket to the West Coast (a practice deplored last week by *N.Y. Times* TV editor Jack Gould) in Jan., which would have provided some 80 TV editors with a week-long deluxe tour of NBC's Hollywood plant & film studios.

Agencies handling TV quiz billings for such clients as Congoleum-Nairn, Nabisco, Frigidaire, Borden's, Heinz, Lever Bros., Standard Brands, Miles Labs., Brillo, Ponds and Speidel were facing another kind of worry—cancellations. At stake in the 13 quiz, panel and giveaway shows still in existence on all 3 networks are TV billings variously estimated to be worth from \$65 million (*Variety*) to \$80 million (*Time*). Sponsor pressure is credited with being the real reason for NBC's move in scuttling *Tic Tac Dough*, and a severing of other dollar lifelines between advertisers & quiz shows was not unlikely. (Other shows dropped: CBS' *Big Payoff*, *Top Dollar*, *Name that Tune*.)

WHAT THEY'RE SAYING ABOUT PROGRAMMING

Strong Words From Lippmann

There has been an enormous conspiracy to deceive the public in order to sell profitable advertising to the sponsors. It involves not merely this individual or that, but the industry as a whole. This is the judgment of the leading professional critics of television on both the *N. Y. Herald Tribune* and *The N. Y. Times*. Mr. John Crosby has said that the "moral squalor of the quiz mess reaches clear through the whole industry." Mr. Jack Gould has said that the fraud could not have been carried out without "the constant involvement of representatives of networks, advertising agencies and sponsors." . . . While television is supposed to be "free," it has in fact become the creature, the servant, and indeed the prostitute, of merchandising . . . In seeking great mass audiences, the industry has decided from its experience that the taste of great masses is a low one, and that to succeed in the competition it must pander to this low taste. Quite evidently, this is an evil which cannot be remedied by a regulating commission or by some form of government or self-constituted censorship . . . The best line for us to take is, I am convinced, to devise a way by which one network can be run as a public service with its criterion not what will be most popular but what is good. No doubt, this network would not attract the largest mass audience. But if it enlisted the great talents available in the industry, but now throttled and frustrated, it might well attract an audience which made up in influence what it lacked in numbers. —*Walter Lippmann*.

Lone Ranger Outdraws Culture

The Arbitron report [indicates] the 3 network shows checked in as follows: Leonard Bernstein (CBS), 7.9; Chet Huntley (NBC), 4.0; The Lone Ranger (ABC), 10.8; and, mind you, *The Lone Ranger* was a repeat film! When a program of musical excellence & sound objective (that music is one inspired way to penetrate political curtains) is outrated by the 2nd-run adventures of a silly masked cowboy, then perhaps there is no justification for the critical gibes constantly hurled at the networks . . . The bulk of the viewing public, it's feared, LIKES to wallow in mediocrity.—*Marie Torre*.

From a Quiz Program's Sponsor

I don't know why quiz shows should be eliminated or even condemned in light of the recent hearings. If a politician takes a bribe, you certainly don't rule out all of politics and condemn it for being corrupt. There should be no need to eliminate this category of programming if advertisers, agencies, networks and packagers live up to their responsibilities. The problem here is to weed out those who are not.—*Max Banzhaf, ad. dir., Armstrong Cork Co., one of the sponsors of Top Dollar, to Printers' Ink.*

Don't Condemn All As Guilty

The networks should not remove all of their quiz shows from the schedule. If a fingernail hurts, it's nonsense to remove the whole thumb. Quizzes are a legitimate form of entertainment and there is no reason not to program them. TV is a young medium. The scandal represents a "slight phase of adolescent delinquency" and because of it TV will mature.—*C. Kholman, dept. ad. mgr. American Cyanamid,*

Doerfer Defends TV

I do not think that television programs to the lowest common denominator at all times . . . What people don't realize is that the television set has a voracious appetite, and that all of Shakespeare can be put on in less than two weeks, all of Shaw—perhaps the greatest playwrights in the history of this world could be produced in the matter of a few months. Now, there just isn't enough good talent available . . . I disagree [with the complaints of people who can't find on TV the high-class programs they want]. I think you'd be amazed if you could read a list of the high-class programming and public-service programming which has been put on by the networks. It's true that some people haven't seen it—they didn't have the time, they were preoccupied with other things, and that is why they feel that there has been a dearth. I will make this concession: The Commission is very much disturbed with the inability to solve the minority interests in programs—a minority which has a little different and higher taste. We don't know just how to reach that, how to satisfy that.—*FCC Chmn. J. C. Doerfer—in U. S. News & World Report.*

Who's to Blame?

Is the public to blame? The public, so greedy for something-for-nothing, was willing to take it vicariously. It built the quiz monster by watching. People usually get what they deserve. *Are the contestants to blame?* We particularly suspect the motives of that sanctimonious minister who was eager enough to accept pre-quiz questions while he was winning but frantically turned righteous when he couldn't find anyone to help him climb higher. It's likely all contestants compromised to some degree. *Are the producers to blame—for blinding themselves to ethics even though they felt it necessary to survive in the jungle of competition?* *Are the advertisers to blame—for perpetrating an era of corner-cutting?* *Are the networks to blame?* Theirs is the ultimate responsibility. *Is FTC chairman Kintner to blame?* The law did not stop him from getting an affidavit from the producer of "The Big Surprise." *Is FCC chairman Doerfer to blame?* The FCC can limit broadcast licenses to those who further "public interest, convenience and necessity." Is deception in the public interest? *Are Congressmen to blame—those who own stock in broadcasting stations while weighing legislation affecting broadcasting . . . and help create "prevailing standards"?* *Is society to blame—for not vigorously defining the limits to which it will let the selling function go in competing successfully?*—*Printers' Ink.*

End Divided Responsibility

Responsibility for what goes into millions of American homes via our most effective means of communication falls somewhere *between* the network and the advertising agency, somewhere *between* the agency and the sponsor, somewhere *between* the sponsor and the packager. To prevent recurrence of quiz scandals, to strengthen the efforts of many sincere men who are trying to improve programming, somebody's got to grab the reins. Television is too important to continue without firm authority—in someone's hands. We believe those hands should be the networks'—controlling everything on network air.—*TV Guide.*

NEWS SPECIALS INTO ORBIT: Prime-time news specials—one of the few program categories which has increased network audiences since last fall while bread-&-butter program groups slipped (Vol. 15:43, p9)—may play an important role in filling the program vacuum caused by axed quiz shows and mid-season casualties, several network program executives have told us lately.

Bearing out this theory last week was the premiere rating on the network's first regularly-scheduled, choice-time documentary series—*CBS Reports*. The Oct. 27 "Biography of a Missile," a 60-min. science-news show narrated by Edward R. Murrow, scooted neatly into rating orbit with a multi-city Arbitron figure (covering 7 major TV markets on an overnight basis) of 13.2 for the first half of the 10-11 p.m. show, and a 14.9 for the latter period.

The rating was no record-breaker, but CBS officials found it a real source of encouragement. The first portion of *CBS Reports* was in competition with the last half of NBC-TV's Ford-sponsored special, "The Secret World of Kids," which outdrew the CBS news special with a 25.7. The ABC rival, *Keep Talking*, was trounced with a 7.2, putting the CBS show about midway in ratings between the 2 network rivals, and showing a strong gain in audience in its second half.

Of considerable interest to CBS was a comparison between the *CBS Reports* rating and the usual rating of *The Garry Moore Show*, which it pre-empted. Usually, a news special lowers the rating of the time period when a pure-entertainment show is ousted. In this case, the previous week's rating for the Garry Moore package averaged a 13.5 in Arbitron measurements, while *CBS Reports'* premiere pulled an average for the 60-min. of over 14.0.

* * *

We had a chance recently to discuss the trend in news specials with some top executives connected with the *CBS Reports* series (a favorite project of CBS Inc. pres. Dr. Frank Stanton), and drew these reactions:

Charles H. Percy, pres., Bell & Howell Co. (co-sponsor of 6 specials in the series): "We've been a sponsor of such purely entertainment shows as *Ellery Queen*, *Wagon Train*, and the *Hitchcock Suspicion* series. We don't have a red-carpet budget with which to sponsor public service TV; it's got to sell cameras for us. But we're willing to pay a premium if necessary in terms of cost-per-1,000 to reach a higher-quality audience that will be a better consumer market for us. We're confident that we're better off with a serious TV framework for our advertising."

J. Ward Keener, pres., B. F. Goodrich Co. (co-sponsor with B&H of 6 news specials): "Goodrich was a pioneer TV program advertiser as far back as 1948 with Conrad Nagel's *Celebrity Time*. Our sponsorship in these news specials is a re-entry into TV. Actually we feel that we'll get a good rating with them. From our standpoint, they fit in with many of the space-age projects in which our company is involved and which are important to us in terms of world-wide public opinion."

James Aubrey, exec. v.p., CBS-TV (currently pinching for ailing network pres. Lou Cowan as the network's top executive): "We're aware that shows of this type may have a lower rating than pure-entertainment packages, but for many sponsors they'll deliver a higher-quality audience than, say, *77 Sunset Strip*. I think information shows will make a real dent in the near future. They give advertisers & affiliates alike a real standing in the community."

Commercial-free, listener-supported "cultural" FM station, on Ch. 216, in Washington, D.C., has been applied for by Lorenzo Milam of Berkeley, Cal. The non-commercial, educational station, to appeal to "off-beat cultural interests" with such fare as Restoration comedy, political seminars and lectures on Kabuki dance, would be supported by listener contributions of \$15 yearly. Milam has rented tower space from WWDC-FM Washington, and plans to operate with 19.3 kw. He got his idea from listener-supported KPFA San Francisco, "which has 7,000 subscribers and has done very well," he says. Estimated initial investment is \$20,000 and yearly operating costs \$25,000. The Pacifica Foundation, operator of KPFA, also will apply for a Washington educational FM. Milam's proposed station is incorporated as Paduan Foundation, 805 G St.

New TV-press survey to see how the mass media measure up as "instruments of education" will be undertaken by the Fund for the Republic's Center for the Study of Democratic Institutions, Santa Barbara, under a \$25,000 grant by ex-Sen. William Benton (D-Conn.). The study will be headed by Pulitzer Prize-winning Harry S. Ashmore, ex-exec. editor of the *Arkansas Gazette*. Benton recently urged pay-TV operations by non-commercial stations to lift "the level of mass communications—and of political literacy" (Vol. 15:40 p20).

New Person to Person producer, replacing co-producers John A. Aaron & Jesse Zousmer, will be Allan Neuman, ex-NBC-TV staff producer who has worked on *Wide World*, NBC Opera, and location-taped specials for Coca-Cola. Neuman will leave shortly for London, where he'll supervise foreign taping (using ATV facilities) of P-to-P interviews in Britain, and later in Italy & Spain.

Dept. of Correction: We gave credit where it wasn't due in our recent listing of network nighttime program series sold by Music Corp. of America (Vol. 15:42, p8). "I would like to advise you that MCA has nothing whatsoever to do with *The Rebel* and that Goodson-Todman, alone, sold [it] along with *Philip Marlowe*," G-T v.p. Harris L. Katleman wrote last week adding, "We have never used agents to sell any of our shows."

Discussions of contemporary writing are being aired by WJZ-TV Baltimore via *Comparative Literature*, a 27-wk. series of twice-weekly 30-min. programs produced & taped by WBC's WBZ-TV Boston, in cooperation with Boston U. The program's originator & host is Dr. Floyd Zulli Jr. N.Y.U. associate prof. & visiting lecturer at Boston U. The books slated for discussion range from Ibsen's *A Doll's House* to O'Neill's *The Hairy Ape*.

Highlights of U.S. exhibition in Moscow is not planned as a spring special, we were told by NBC-TV last week. The network had color tapes, recorded by Ampex in Moscow, but shipped them back to Ampex last week. Until recently film prints of the Khrushchev-Nixon exchange were being exhibited at the RCA exhibit hall in N.Y.

National Probation & Parole Assn. has appointed Maryland U. sociology prof. Dr. Peter Lejins research dir. for a study on the impact of TV & motion pictures on young people. The project will terminate with a conference of experts Feb. 1960. Lejins is v.p. of the Health & Welfare Council of the National Capital Area.

TV viewers will be polled (by ballot in *TV Guide*) on the best TV performers & programs of the 1959-60 season; results to be announced on the Mar. 25 Chrysler-sponsored, "TV Guide Award Show" over NBC-TV.

A schedule of Spanish-speaking feature motion-pictures has been launched by KEYT Santa Barbara.

Stations

NAB DIFFERS WITH DOERFER: It isn't true—despite FCC Chmn. Doerfer's interpretation of the new political broadcast rules written by Congress—that amended Sec. 315 of the Communications Act requires TV & radio stations to provide equal time for disputants in public controversies as well as for candidates themselves, NAB counsel Douglas Anello said last week.

In an address to the Minn. Bcstrs. Assn. in Minneapolis, Anello took sharp issue with Doerfer, who had warned the Radio-TV News Directors Assn. in New Orleans 2 weeks earlier that the Sec. 315 amendments impose "new & additional burdens upon the broadcaster" by making issues—along with political speeches—subject to equal-time demands (Vol. 15:42 p5). Professing himself to be "a little disturbed" by Doerfer's RTNDA statements, Anello said he "must respectfully disagree" that either the language of revised Sec. 315 or the legislative intent of Congress mean any such thing.

"Sec. 315 never was, and is not now, directed at insuring equality of treatment of political parties on general questions of public interest," NAB's legal chief said. "Equality applies to candidates alone. This is still unchanged.

"The controversial issues doctrine never required a station to permit its facilities to be used 'whenever a prior candidate has raised an issue of public importance upon which there may be conflicting views,' [as Doerfer had put it]. This, too, in my humble judgement, remains unchanged, for if the proviso in Sec. 315 means anything, it sustains the time-honored distinctions between the equality one must give the candidates themselves and the reasonable opportunity that must be afforded for the discussion of conflicting views. Any other interpretation would be in conflict with its plain language."

At the same time, Anello told the Minn. Bcstrs. to be wary in their handling of political issues "as the Commission builds up what I am afraid will be a rather extensive body of case law" on the new Sec. 315. "Any attempts to be devious can become a *cause celebre*," he said. "We are in the limelight and we will be watched closely."

Stations shortchange their merchandising functions with "insufficient budgets & inept personnel," Emil Mogul will tell the Broadcast Promotion Assn. Nov. 2 in Phila. "Without a strong, resultful merchandising program, to backstop the advertiser's campaign, the station of the future may well be considered a total marketing loss," according to Mogul. He will suggest that stations separate the merchandising & promotion functions, and hire trained merchandising personnel with marketing experience. "A consistent merchandising policy can help a station reduce account turnover, thus cutting its overhead & paper work," Mogul will say. Also on BPA's guest list is TIO dir. Lou Hausman, who'll argue for "a sense of proportion in evaluating the TV industry's contributions," despite the clouding of the industry's image by the current quiz investigations. Other speakers on BPA's agenda are: Max Buck, station mgr., WRCA-TV N.Y.; R. C. (Jake) Embry, station mgr., WITH Baltimore; Henry J. Kaufman, prcs., Henry J. Kaufman Associates, Washington; R. David Kimble, account exec., Grey Adv.; H. Preston Peters, pres., Peters, Griffin, Woodward; C. Wrede Petersmeyer, pres., Corinthian Bestg. Co.; James T. Quirk, publisher *TV Guide*; Frank Shakespeare, gen. mgr., WCBS-TV; Adam J. Young.

Self-control vs. Controls: Broadcasters must govern themselves more effectively or face the prospect of having the Govt. do it for them, TV Code Review Board member Gaines Kelley told NAB's fall conference in Atlanta last week. Addressing the TV session of the conference, the gen. mgr. of WFMY-TV Greensboro, N.C. said stern govern-or-be-governed remedies are called for now to stop a spread of "a deteriorating [public] image of the industry."

TV quiz show scandals (see pp. 1 & 4) have "cata-pulted every individual TV station into the limelight," Kelley pointed out, "although the individual stations were not to blame, the dirt rubs off. And it makes little difference . . . the purpose or extent of the deception."

Kelley pleaded for stricter adherence to TV Code standards by stations as one "way out of this dilemma." They're "our only defense against outside regulation," he said. "These standards of good practice are the means by which we can effectively govern ourselves. For we must govern ourselves, or be governed."

Similar pleas for tighter industry self-controls, continuing a conference theme set at initial Washington sessions (Vol. 15:42), were made by NAB pres. Harold E. Fellows. "A few years, perhaps even a few months from now, the so-called quiz scandal will represent a vaguely-remembered incident—a tawdry one, indeed—in the history of the development of this great & dynamic new medium," Fellows said. But Fellows warned that meanwhile the industry faces threats of "ill-begotten legislation" to correct program evils which should be eliminated by "self-regulatory processes of our own standards of good practice."

Station sales approved last week: Complete control of WBIR-TV (Ch. 10) & WBIR Knoxville, Tenn. to the Taft Bestg. Co. for \$2,100,000 (Vol. 15:41 p9); purchase of KROD-TV (Ch. 4) & KROD El Paso for \$3,450,000 by owners of KVII (Ch. 7) Amarillo and KOSA-TV (Ch. 7) Odessa (Vol. 15:36 p6); transfer of control of KMSP-TV (Ch. 9) Minneapolis-St. Paul from NTA to 20 Century-Fox TV for \$3,500,000 (Vol. 15:34 p7).

Devoted to uses of Videotape recorders, new external house-organ *Ampex Head Lines* has made its debut with an 8-page issue featuring a list of Ampex installations, stories on how stations are using their recorders, listings of syndicated tape program, etc. The monthly newsletter, edited by PR director Ellis Walker & Marilyn Locke, is available free from Ampex Corp., professional products div., 934 Charter St., Redwood City, Cal.

Facility changes: KOLO-TV (Ch. 8) Reno boosted power to 77 kw Oct. 22, using directional antenna giving 166-kw max. N-S. WOOD-TV (Ch. 8) Grand Rapids, Mich. has begun construction of new 1000-ft. tower at Middleville, which is expected to provide "city grade" signals in Lansing, Kalamazoo & Battle Creek.

KHTV (Ch. 27) Portland, Ore. was to go dark Nov. 1 after filing a bankruptcy petition, the station informed the FCC last week. It said it would be off the air temporarily pending reorganization.

RCA TV-tape recorder shipments last week: color units to WBAP-TV Fort Worth and KSTP-TV St. Paul, 2 color units to NBC-TV, New York; monochrome units to KPHO-TV Phoenix and KWTW Oklahoma City.

Ampex Videotape recorder has been put into operation by KFDM-TV Beaumont, Tex.

WTTG Washington last week announced the purchase of 2nd Ampex TV tape recorder one year after first order.

THE BIG PROBLEMS: Even before the quiz-rigging headlines hit the industry, a segment of station management was seriously concerned about television's "image," Congressional needling, critics' carping. That's obvious from the fact that the TV Information Office (TIO) was created. It's also evident from a study of responses to our questionnaire directed to station managers. It covered a variety of trends, was completed just before quiz disclosures (Vol. 15:38 p2).

"What do you consider to be the industry's major problem currently?" was the last question we asked. Of 175 who returned questionnaires, only 70 answered it in those relatively tranquil days. Of the 70, 20 were particularly concerned about relationships with public & Congress. There were complaints of Congressional interference, demands for improved programming and greater station-network control of programs & commercials, fears of govt. encroachment—coupled with calls for greater support of NAB and other industry groups.

Allocations problems bothered the next largest group, 14—half vhf, half uhf. The uhfs want vhf mileage cuts, new vhf channels or deintermixture, while some vhfs fear that those changes may come. Interestingly, a few vhfs urged that more vhf competition be created.

Impact of CATV systems bothered 9 respondents. All want CATV curbed in one way or another—no microwaves, no duplication of stations' programs, etc.

Seven were worked up about rate cutting. There was more vehemence in this category than any other. Six were exasperated with ratings, terming them obsolete, unrealistic and excessively emphasized. Five were disturbed by operating costs. Balance was well scattered: shift of spot advertisers to network, personnel problems, network commercial practices, film costs, etc.

Chandler Buys Loew's KTTV Interest: The Los Angeles Times-Mirror Co. last week bought back from Loew's Inc. its 25% interest in the newspaper-owned L.A. station, KTTV, for a figure in excess of the \$1,625,000 that Loew's paid for the stock in 1956. The purchaser declined to give the exact figure paid Loew's for its 3,334 shares of the capital stock of KTTV Inc. By this action the Times-Mirror Co. again holds 100% ownership of the station. Said pres. Norman Chandler: "The Times-Mirror Co. is looking forward to the execution of a program of diversification & expansion. It is likely that this program will include expansion in broadcasting & related fields."

At the time the Times-Mirror Co. sold 25% of KTTV to Loew's Inc., it paid an estimated \$4 million to the film company for a 7-year license deal on Metro's pre-1948 movie backlog. The film licensing deal has 4 years to run.

Record business by NBC Chicago during 1959's first 9 months and a continuing volume which portends new yearly highs for both WNBQ & WMAQ were reported last week by NBC v.p. Lloyd E. Yoder. TV spot & local sales climbed 32% over the year-ago business, established monthly records in 5 of the 9 months, and jumped 45% in Sept. over Sept. 1958 to set a new station monthly record. However, Oct. sales will top those of Sept. WMAQ's 9-month sales were 37% ahead of those for 1958's first 3 quarters.

Business-promoting WBBM-TV Chicago will jet 110 N.Y. ad agency time-buyers to its home grounds next week (10) for a 2-day on-the-scene appraisal of its facilities, local programming, and staff.

NEW TALL-TOWER KING: Latest claimant to the tallest-TV-tower title is WGAN-TV Portland, Me., whose recently-completed 1,619-ft. structure 21 miles away at Brown Hill in Raymond rises 9 ft. above the tower record of the previous holder, KSWs-TV Roswell, N.M.

In the offing, however, are new contenders for the tallest-man-made structure-on-earth distinction: Moscow, which proposes a 1,625-ft. giant, and KFVS-TV Cape Girardeau, Mo., which plans a 1,677-ft. champion (Vol. 15:27 p4). The new Portland station tower, built by Kline Iron & Steel Co., Columbia, S.C., in one year at a cost of about \$250,000, will increase coverage to include "70% of the state's TV homes and many additional homes in Vt. & N.H.," according to WGAN-TV officials. It was installed ahead of schedule—and without accidents or injuries.

Retired FCC Commissioner & engineer George Sterling, who lives on Peak's Island near Portland, took time out from his lobstering to aid WGAN-TV management as a consultant. He's tickled with the results, says: "The signal is beautiful. It's filling in areas where it's never been seen."

An elevator in the center of the WGAN-TV structure rises to within 40 ft. of the top. Other details: It's anchored 1,200 ft. from the base (1,160 tons of concrete) on a 100-acre plot. The tower is designed to withstand a 150-mi. wind, and its deflection at that velocity would be 6 ft. 6 in. It has an RCA traveling wave antenna and 1,500 ft. of 6½ in. transmission cable. Equipment tests were carried out Oct. 28 & 29. Program tests began Oct. 30.

Meanwhile, the 1,677-ft. tower for KFVS-TV is being fabricated by Dresser-Ideco. The target date for completion of erection is late spring or early summer, 1960.

(For a roundup of tall towers—existing & proposed—see Vol. 15:21 p3.)

NAB's engineering conference committee has set a limit of about 20 technical papers to be presented during the 38th annual NAB convention next April 3-7 in Chicago. Meeting in Washington, the committee headed by Warren Braun of WSVA-TV & WSVA Harrisonburg, Va. began riffling through more than 100 proposals by scientists & engineers for papers to be included on the engineering conference agenda. The committee voted that selection would be "solely on the basis of scientific interest."

"What Every Station Manager Should Know" might well be another title of the new *Storer Operating Manual*, a 200-page copyrighted document edited by John E. McCoy, v.p.-secy., Storer Bestg. Co. It covers such subjects as FCC rules, NAB codes, taxes, Storer programming & commercial do's & don't's, state laws on hiring & firing, record-keeping-&-reporting practices. It's said to be the most complete guide for station management yet compiled. McCoy is an ex-FCC attorney who headed TV & FM legal divs.

Sisters of Charity of Cincinnati have withdrawn their recent application for FM Ch. 300 in Pittsburgh. According to Washington attorney Frieda B. Henneck, a former FCC member, the religious order stated that the withdrawal was for technical reasons—the specified site wouldn't cover the area adequately, and an alternate site would require the construction of an expensive tower.

Stereo broadcasting was initiated by radio WRCA N.Y. recently as a regular Mon. midnight-to-6 a.m. feature of its nightly *All Night in N.Y.* record music show. The stereo broadcasts use the Bell Labs' time-delay system (Vol. 15:9 p3). The 6-hour show is N.Y.'s longest continuous stereocast.

LOW-LIGHT COLORCASTING: Crosley Bestg. Corp. pres. R. E. Dunville claimed another first for WLWT Cincinnati last week by announcing plans for the first live colorcasts of night sports. Already scheduled: some 10 Redleg 1960 baseball games, direct from Crosley Field—under the normal field lighting conditions. Plans are also afoot to color-televise basketball and other auditorium sports this winter.

Behind the programming "first" is a down-played engineering advance which holds promise of greater economy, simplicity and flexibility in both studio & remote colorcasts. The advance: A GE-developed low-light-level image-orthicon tube, originally developed for military applications, now modified for experimental commercial use.

WLWT chief engineer Howard Lepple told us the experimental tube (Type Z-5351) produces acceptable color pictures with only 40 ft.-candles of light, compared with the 400-500 ft.-candles required by standard orthicons. At that level, colorcasts can now be studio-originated under normal b&w lighting conditions; can be originated direct from sports arenas & light-equipped ball parks without additional or special lighting required.

Crosley, Lepple told us, is field-testing the low-light orthicon for GE. The first test was conducted Sept. 25 at Crosley Field with good results. The field's lighting system produces 50-100-ft. candles. Currently, WLWT is conducting side-by-side on-air tests of the new tube with standard orthicons to study its characteristics, operating patterns. The station has one low-light equipped camera, 3 tubes on hand. Dimensionally, the GE tube has the same physical measurements as standard types, fits in the same socket without modification.

The low-light tube's great sensitivity, he said, necessitates the use of filters in the on-air tests. Lepple said that the increased sensitivity results mainly from newly developed target material, extremely fragile & thin.

Dunville hailed the development as "the greatest single step since the advent of color. This latest development by our engineers, and those of GE, enables us to bring not only the day games but the night games to the public, along with other indoor sports such as basketball, hockey, etc. that heretofore could not be televised in color because of inadequate lighting. In fact, any sporting event under lights, or news events heretofore not permissible in color, can now be colorcast."

Announcement of the experimental tube was made with the inauguration of National Color TV Month (Nov. 1-30). WLWT now originates 19 hours of local color programming weekly, transmitting more than 40 hours in color, including NBC-TV network programs.

Congress

CARROLL TRIES AGAIN: Salvage operations on torpedoed legislation that would ban all off-the-record "influence" approaches to members of FCC & other govt. regulatory agencies (including backdoor contacts by members of Congress) will be started Nov. 19 by Sen. Carroll (D-Colo.).

"The task is not glamorous but necessary," Carroll said, in announcing that his Senate Judiciary administrative practice & procedure subcommittee will hold Nov. 19-20 hearings on their ex parte problems for 6 agencies, including FCC and Interior & Agriculture Depts.

It was the first time the subcommittee had been heard

from since July, when Senate minority leader Dirksen (R-Ill.), a member of the new unit, effectively sabotaged its initial hearings on anti-"influence" proposals by openly opposing them. Dirksen said that as long as he's in Congress he'd continue to intercede with agencies for his constituents—on the record or off (Vol. 15:30 pp2&4). Note: Dirksen has since been ordered by his doctors to take a rest and is not expected to return to Washington for the Nov. 19-20 sessions.

Carroll asked FCC Chmn. Doerfer to be a witness on 2 American Bar Assn. bills: S-2374, providing criminal penalties for "any person" who tries off-the-record pressures on agencies in adversary cases; and S-600, establishing an Office of Federal Administrative Practice. But Doerfer said he had previous commitments for the dates, and another FCC member probably will take the stand. Also to be heard from, in addition to Interior & Agriculture lawyers, are spokesmen for FTC, ICC, CAB, SEC & FPC.

Additional hearings on the measures are planned by Carroll before the 2nd session of the 86th Congress opens in Jan. He said: "There is a general feeling of a lack of public confidence in the operation of the administrative agencies and we in Congress have the legislative responsibility to restore public confidence in the agencies of the Govt. and their conduct of public business."

Pastore's Western Quickie: "More of the same" was produced by the on-the-spot hearings, conducted in the West last week by Sen. Pastore (D-R.I.), chmn. of Senate Commerce subcommittee, as he sought to determine the impact of boosters & CATV on small town TV stations.

In one-day stands, he held court Oct. 27-30 in Helena, Mont., Idaho Falls, Ida., Salt Lake City & Denver. There was a long parade of witnesses—station, CATV & booster operators, senators & congressmen, and some man-in-the-living-room viewers. The last group did provide an additional factor for the record—nothing surprising—namely, that everyone wants to keep the service he has & get more if he can. In Helena, for example, viewers made it quite clear that they were unhappy about the loss of Ch. 2 & 6 signals from Spokane. These have been unavailable ever since FCC ordered the Spokane-to-Helena microwave to quit transmitting, pending litigation in the courts.

Station operators again called for controls to minimize the competitive effect of CATV systems. Booster operators did the same, stating that they would lose their signal sources if stations folded. CATV operators termed pending CATV-control legislation unfair and impractical.

The major new idea was scheduled to be offered on the last day, by Bill Daniels, Wyo. CATV operator, speaking for the National Community TV Assn. He proposed that an *ad hoc* committee, under FCC supervision, be formed by the disputants—broadcasters, CATV operators and "other interested parties." Its assignment would be to come up with recommendations to the Commission for a resolution of the conflict. Daniels said that CATV operators were prepared to abide by the conclusions of such a group. CATV legislation is not the answer, he said. He asked that the *ad hoc* group be given a specific deadline, asserting that NCTA wasn't making the proposal in an effort to stave off legislation.

Daniels said that there are 43 communities which have both stations & CATV; 32 CATV's carry local signals.

Pastore was assisted by committee communications counsel Nicholas Zapple, while Western senators & congressmen sat in from time to time. FCC broadcast bureau chief Harold Cowgill attended as an observer.

The FCC

NETWORK STUDY BUILDUP: Working quietly but thoroughly, FCC's network study staff (which currently comprises only 2 attorneys—Ashbrook Bryant and James Tierney) is building up to the big finale: full scale public testimony on programming by networks' top executives.

This is the thing that FCC constantly refers to when queried by Rep. Harris' investigating committee about what it's doing regarding quizzes & the like (Vol. 15:43 p1).

When this finale will come, Bryant & Tierney won't conjecture. First, they have another aspect of programming to examine—Hollywood TV-film producers. They were to leave last weekend for the West Coast, to spend a week or 2 with a cross-section of producers, preparatory to a hearing in Hollywood or Washington at a later date.

After the big, final hearing with network executives, the FCC's record on network programming presumably will be complete. Then the Commission staff will have the job of coming up with a report to the Commissioners. The last such staff study, covering network practices other than programming, resulted in a recommendation of major changes: elimination of option time and must buy, removal of networks from the spot rep business, etc. The Commission is still in the process of accepting & rejecting the recommendations.

First Sec. 315 complaint since passage of the new law was filed with FCC last week by Philadelphia mayoralty candidate Joseph A. Schafer, who complained that CBS's WCAU-TV refused him equal time with his opponents on *Eye On Philadelphia*, a news-interview program. CBS-TV v.p. & general attorney Thomas K. Fisher, who confirmed that the complaint had been filed, told us that Schafer was a write-in candidate who had been defeated in the Republican primaries. WCAU-TV turned down his request for equal time on the news show on the simple grounds that write-in candidate Schafer was not news, Fisher said. Schafer is not news to FCC either, having appeared as a witness (Vol. 15:26 p4) at the recent hearings.

Proposed shift of Ch. 2 to Fort Worth from Denton, Tex. drew more filings at FCC last week. KFJZ-TV Fort Worth, which seeks to move from Ch. 11 to Ch. 2, asserted that no one will be hurt by the change and that FCC "has a real opportunity to enhance the status of independent, non-network stations and provide an opportunity to compete in the interests of the public." Opponents WBAP-TV (Ch. 5) Fort Worth and WFAA-TV (Ch. 8) Dallas stated that the only new evidence submitted by KFJZ-TV is a request that weight be given to a Nielsen coverage study but that the study has no value in an allocation argument. They also said that KFJZ-TV could achieve greater coverage by power-height increases without a channel shift.

KFDM-TV (Ch. 6) Beaumont, Tex., which has been operating since April 1955, was again favored in a supplemental initial decision issued last week by examiner Annie Neal Huntting. The proceeding was reopened & designated for hearing by the FCC last May after being remanded to Commission by Appeals Court (Vol. 15:18 p5).

FCC's most mobile Commissioner, defense Comr. Robert E. Lee, has upcoming: Nov. 1, address to Okla. Bcstrs. Assn., Oklahoma City; Nov. 3, address to State Civil Defense Dirs., Miami; Nov. 5, address to Office of Civil & Defense Mobilization staff group, Battle Creek.

Miami Ch. 10 conspiracy retrial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside is set to start this week (Nov. 3) in Washington's U.S. District Court—and it promises to be another legal marathon. Last-minute attempts by defense counsel Nicholas Chase & Arthur J. Hilland to win a postponement of the 2nd trial failed last week—just as earlier pleas to the Court of Appeals to call it off had failed (Vol. 15:40 p5). Chase & Hilland argued before Chief District Court Judge David A. Pine that the retrial should be delayed at least until after the holidays, that it would be unfair to jurors to subject them now to prolonged service. They indicated that the proceedings may run as long as the first trial (12 weeks), which ended in a hung jury. Govt. counsel J. Frank Cunningham opposed any delay, however, and Judge Pine quickly denied the postponement petition. Judge Charles F. McLaughlin was assigned as the trial judge to replace Judge Burnita S. Matthews, who presided during the first battle over charges that Mack & Whiteside plotted to throw the Miami grant to National Airlines' WPST-TV.

FCC Chmn. John Doerfer raised industry eyebrows with the following exchange in the Oct. 26 *U.S. News & World Report*: "Question—Do you have in mind any action to improve the standards of TV programs? Answer—Yes. Presently the Commission has got under consideration the adoption of a rule requiring the networks to devote a half hour of prime time to public-service programming . . ." The facts are these: (1) FCC has discussed such a proposal but hasn't come to any conclusion about it. (2) Doerfer also had in mind the Commission's proposed rule on option time affecting "straddle" programs—those part in option time, part out. In paragraph 10 of the FCC's April 23 proposal (Vol. 15:17 p3), the Commission said it wouldn't count against option time "certain live network programs of national importance involving educational cultural or public affairs, special events, or sporting events which, because of their length necessarily straddle option & station time, and which it would be in the public interest for stations to broadcast as a unit or at the time the events take place."

Quiz producers Jack Barry & Dan Enright, as if they hadn't enough trouble, have FCC on their necks through their ownership (50% each) of radio WGMA Hollywood, Fla. Exploring their "characteristic qualifications," the Commission has asked Rep. Harris' investigating subcommittee for information. The subcommittee heard Enright's most important testimony on quizzes during a closed-door session (Vol. 15:42 p4), and the group would have to vote on whether to release the testimony to the FCC.

Translator starts: K72BA, K75AP, K78AM & K81AE St. James, Minn. began Oct. 1 repeating KSTP-TV, WCCO-TV, KMSP-TV & WTCN-TV, Minneapolis-St. Paul. Also W73AC Clarks Summit, Pa. began Sept. 10 with programs of owner WNEP-TV Scranton-Wilkes-Barre. K70BJ & K74AV Navajo Compressor Station, Ariz., operated by El Paso Natural Gas Co., expect to start Nov. 1 with KOB-TV & KOAT-TV Albuquerque.

Overcrowded FCC will shortly move its hearing examiners, except chief examiner James Cunningham, from the New Post Office to an ex-bank building at 9th St. & Mt. Vernon Pl. N.W., Washington. Other groups, not yet designated, are expected to move there later.

Educational Ch. 11, Tallahassee, Fla. has been granted to the Board of Control of Fla. and Fla. Educational TV Commission. Also authorized was a Ch. 74 translator in Gallup, N.M., to Gallup McKinley County schools, to repeat the programs of educational KNME-TV Albuquerque.

Auxiliary Services

Booster Rules Hang Fire: FCC didn't come to a vote last week, after it pondered proposals to establish vhf boosters as a legalized service, but it's expected to make a decision any week now.

It's believed that the Commission will come out with a notice of proposed rule-making, inviting industry comments rather than producing a final order. There's considerable belief, too, that the Commission will adopt rules requiring a minimum of expense & attention on the part of booster operators. At the same time, it's likely that uhf translator rules will be relaxed, making translators cheaper and thus more attractive. Evidently, the Commission hopes that some groups will choose to build translators instead of boosters. It is legalizing boosters only because of congressional pressure.

If FCC finalizes new booster rules, these would apply only to boosters built thereafter. The Commission still awaits passage of a law which would forgive existing booster operators for having built without authorization. Thereafter, such operators probably will be given a year or two to meet new FCC standards.

Point-of-purchase TV advertising (Vol. 15:25 p15) is now engaged in a 6-month market-test by Store-Video Inc. at a N.Y.C. Grand Union supermarket. The closed-circuit medium aims to stimulate sales in the store with telops of 100 ads in 50 different categories which are projected for simultaneous, 7-sec. exposure on 42 RCA 21-in. TV receivers suspended over the display shelves. Each advertiser gets 560 impressions weekly. Sales of the TV-promoted products will be measured against those of a comparable Grand Union store. Pres. Lee Wagner hopes to prove that his Store-Video is "an effective substitute for rapidly disappearing point-of-sale advertising material in food stores."

Bell Lab's "Picture Phone" (Vol. 12:34 p3), a 2-way TV system which transmits pictures & sound over ordinary phone lines, has been patented (No. 2,909,600). Although the small, newspaper-half-tone-type pictures have been successfully transmitted, even cross-continent, inventor-engineer Floyd K. Becker & other Bell engineers want to improve the image before offering it to the public. The system utilizes a small camera & picture tube at each phone and reproduces one picture per sec. Bell officials have not estimated when the system may be available to the public.

Deep-sea TV surveys in salvage & search operations can be made with a new self-propelled camera unit developed for the Navy's Bureau of Ships by Vare Industries, Roselle, N.J. Designated the AN/SXQ (XN-2) by the Navy, the device already has undergone successful ocean-bottom tests at depths of more than 600 feet. A multi-conductor cable provides remote control for the system from an accompanying vessel. The movable camera housing can be trained 70 degrees in any direction.

Ticker tape TV system has been installed by N.Y. brokerage Goodbody & Co. to flash pictures of stock quotations to customers & staff in all executive & sales areas. The GPL-designed system, built around a single TV camera & 15 monitors, incorporates a dual tape "damping" device which permits simultaneous transmission by one camera of tapes of 2 different stock exchanges.

Translator grant: Ch. 71 & 79, Olivia, Minn., to Renville County TV Corp.

Networks

CBS Unloads Park: CBS Inc. and the Los Angeles Turf Club, the combine which opened Pacific Ocean Park at Santa Monica, Cal., in 1958, last week sold the amusement park to realtor John M. Morehart for a figure "in excess of \$10 million." (The sellers are reported to have spent about that sum in setting up the park.) The park had been closed last winter and did not reopen, although it had been announced as a year-round operation. The new owner says he will spend an additional \$4 million for remodeling, and will reopen the park next May 28, at reduced prices.

Ex-CBS-TV pres. Jack Van Volkenburg, who served as pres. of the park is now in Florida. He is due in California to wrap up details of the takeover, after which he will return to Florida for retirement. Widespread trade reports have it that the amusement park, a less ambitious CBS parallel of ABC's Disneyland venture, had been operating in the red for some time, but network sources last week declined to confirm this.

* * *

Flat denial of rumor that CBS-TV pres. Louis G. Cowan is resigning to be succeeded by exec. v.p. James T. Aubrey Jr. came this week from Aubrey and other CBS brass. The widely circulated rumor in N.Y. & Hollywood drew a categorical "nothing to it" when we asked CBS officials on both coasts.

Mutual's Bankruptcy Fight: Witnesses to the \$750,000 cash exchange between Otto Vega, aide to Raphael Trujillo, and Alexander Guterma, ex-MBS pres., included Porfirio Rubirosa and Hal Roach Jr., it was learned in N.Y. Bankruptcy Court last week. Vega testified that he personally handed over to Guterma a "little black laundry bag" containing \$750,000 "mostly in \$1,000 bills" in a room at the Ambajador Hotel, Ciudad Trujillo, on Feb. 5, 1958.

A receipt signed by Guterma as pres. of Radio News Service, was given to Vega in exchange, Vega said. The original contract between the DR & Guterma (for Dominican news insertions in Mutual newscasts) was for a \$750,000 check payable to Mutual, but the final draft of the contract called for cash payment to Guterma as Radio News Service pres., Vega told the court.

Final pro & con arguments attesting to the validity of the Dominican claim against Mutual will be heard by bankruptcy ref. Asa Herzog this week (Nov. 2). Meanwhile, N.Y.C.'s tax claims against Mutual were settled out of court over the Oct. 23-25 weekend with Mutual "paying considerably less" than was originally asked by the city.

Predecessor of space TV relays was shot into sky last week—100-ft. aluminized balloon, largest object ever placed in space. It was initial test of inflatable items designed to serve as passive space communications relays, was launched from Wallop's Island, Va., and raced across sky—plainly visible from eastern seaboard—before falling into earth's atmosphere. The National Aeronautics & Space Admin. launched the balloon, predecessor of first actual tests of balloon satellite-relays late this year or early next year by NASA and Bell Labs (Vol. 15:40 p3).

WFAM-TV Lafayette, Ind. has rejoined CBS-TV as an interconnected EMP (extended market plan) affiliate, and new owner Sarkes Tarzian plans to resume operation soon as Ch. 18. CJSS-TV Cornwall, Ont. has joined the network as a secondary interconnected affiliate.

Advertising

FTC DECLARES WAR: FTC Chairman Earl W. Kintner has followed up his recent warnings to TV to do its own program housecleaning (Vol. 15:42-43) by ordering his HQ staff & 9 field offices to start a "major drive" to clean up "spurious" TV commercials.

In stern staff instructions for the new campaign against what he called commercials which "exaggerate, irritate and nauseate," Kintner:

(1) Ordered that FTC's small TV-radio monitoring unit, which has seldom totaled more than a half-dozen HQ men, be "more than doubled"—and that it be kept at double strength "for as long as necessary."

(2) Called for scripts of all TV-network commercials scheduled for the pre-Christmas Nov. 15-Dec. 15 period.

(3) Ordered regional FTC staffs to step up their TV-watching locally for the purpose of "speeding investigations of non-network shows throughout the country."

Kintner also called on the TV industry to help FTC "halt bad taste in advertising" even when no infractions of FTC rules against fraud & deception may be involved. He said the industry itself should participate in the new drive by "rejecting illegal advertising and screening out advertising which skirts the law."

* * *

Reports that FTC is expanding its TV-radio monitoring system into studio policing of commercials while they are being prepared, are denied by FTC. "It's the bunk," and FTC spokesman told us when asked about a Hollywood trade paper story that the agency is sending "watchdog" representatives to N.Y. & Hollywood to keep an official eye on production of commercials. "We would no more think of sending anybody for advance looks at commercials while they're being filmed than we'd think of having somebody watch printing presses for ads before they appear in newspapers. We're interested only in ads when they are seen & heard by the public. Occasionally an advertiser will ask us for an advance opinion about an ad, but that's all."

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Ale is ale, even when it's the ginger variety, believes the Alberta (Canada) Liquor Control Board, which, among other duties, prohibits liquor ads within the province. It viewed with disfavor the sponsorship on 5 Alberta stations of *The Phil Silvers Show* by ginger ale & beer maker Sicks Lethbridge Brewery Ltd. The Board concluded that the TV advertising of ginger ale might whet the public thirst for beverages with more ginger. Result: the 5 stations are now crying in their beer over contracts down the drain.

Nighttime audience composition and viewer-age factors for network TV programming will be measured by Trendex for a full week in mid-Nov. Sample size will be 1,000 calls per 30-min. period in the cities in Trendex's normal sampling area. The study will be offered to agencies, advertisers, networks and station reps. Publication is planned for early Dec.

People: Michael Turner and Jack Bernhardt, elected Benton & Bowles v.p.'s . . . Thomas G. Watson Jr., N. W. Ayer v.p., named to head Chicago office . . . William J. Breen, McCann-Erickson v.p., resigned . . . Thomas M. Lufkin named TV-radio supervisor, Hollywood office of Ted Bates . . . Gordon Webber named v.p. & best. commercial production dir., Benton & Bowles.

Nets' August 7% Better Than '58: All major media (with the sole exception of network radio) gained ad volume in Aug. over Aug. 1958, to push the general ad index 10% ahead of the year-ago performance. *Printers' Ink's* latest index also shows however, that all media (except business papers & outdoor) skidded in Aug. from July volume—with network radio plunging deepest, 21%. The Aug.-over-Aug. gains were paced by magazines, up 17%. Net TV was up 7% for Aug.-over-Aug., up 10% in cumulative volume, and down 8% from the previous month. Newspapers gained 8% in Aug. over Aug. and 10% in the cumulative reckoning, but slumped 9% in Aug. from July. The poorest showing by far was net radio's, down 27% in Aug.-Aug. business, down 21% from July, and down 12% year-to-date. Best performance: general monthly magazines, 26% ahead Aug. over Aug., 16% ahead cumulatively.

Medium	Index		% Change from		% Cumulative Change
	Aug. 1959	Aug. 1958	1 month ago	1 year ago	
General Index	222	202	- 5	+10	+ 7
Total Magazines	175	149	- 5	+17	+10
Weekly	191	167	- 5	+14	+ 8
Women's	129	112	- 7	+15	+ 9
General Monthly	224	178	- 3	+26	+16
Farm	109	96	- 4	+14	+ 2
Newspapers	197	182	- 9	+ 8	+10
Network Television	437	409	- 8	+ 7	+10
Network Radio	19	26	-21	-27	-12
Business Papers	235	208	+ 4	+13	+ 5
Outdoor	165	158	+ 4	+ 4	- 4

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 Aug. 1959.

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Broadcasting outpaces other media in its share of advertising, which was a \$10 billion-plus U.S. business last year, pres. William W. Neal of Atlanta's Liller, Neal, Battle & Lindsey agency pointed out last week in an upbeat speech on TV-radio revenue prospects. Featured luncheon speaker at NAB's 2-day regional conference in Atlanta—4th in a series of 8 fall meetings—Neal said the future for all advertising is "bright," despite the overall record in 1958, when broadcasting was the only medium to show an increase over 1957. While total advertising dropped about 2% last year, broadcast advertising went up by more than \$50 million to a TV-radio total of about \$2 billion—"almost exactly 20% of the grand total," Neal reminded the conference. Upcoming NAB conferences, which generally follow the format of the opening session in Washington (Vol. 15:42): Fort Worth, Texas Hotel, Nov. 10-11; Denver, Brown Palace, Nov. 12-13; Los Angeles, Ambassador Hotel, Nov. 16-17; Seattle, Olympic Hotel, Nov. 19-20.

American Assn. of Adv. Agencies' eastern annual conference will be held Nov. 4-5, at Hotel Biltmore, in N.Y. One of the sessions will be an all-day creative meeting Nov. 4 at the Museum of Modern Art to be presided over by Curtis Berrien, William Esty Co. v.p.-copy chief, and Raymond Lind, Benton & Bowles v.p. for TV commercial production. On Nov. 5 Richard P. Jones, J. Walter Thompson v.p., will be chairman of the session on media buying.

Advertising Federation of America (AFA), has moved its Washington office, headed by v.p. Donald J. Wilkins, to the Associations Bldg., 1145 19th St., N.W. (District 7-3061). This is AFA's first move toward shifting its HQ from N.Y. to Washington next year.

New reps: WTTV Bloomington-Indianapolis to Young TV Nov. 1 (from Meeker). KTVR Denver to Young TV Oct. 19 (from Blair TV Associates). WSIX-TV Nashville to Peters, Griffin, Woodward Oct. 1 (from H-R Television).

'Instant Niensens' for N.Y.: The long-awaited entry of A. C. Nielsen into instantaneous TV measurement (experiments since 1946, a pilot operation in N.Y. since 1957) became a reality last week when the research firm began signing clients for a service designed to provide next-morning audience figures. Signed so far: N.Y. outlets WABC-TV, WNTA-TV, WPIX and WNEW-TV.

The speeded-up Nielsen service uses a fixed panel of 230 homes (containing 270 sets to reflect multi-set households) in which Nielsen-designed circuitry "reports" station tuning to a central point via leased wires. As in the somewhat-similar system used by competitor ARB's Arbitron service, the data is then compiled to show program ratings by 15-min. periods, minute-by-minute audience flow, home duplication between programs, and other factors such as the cumulative audience reached by advertisers using spot schedules.

The new Niensens—part of the Nielsen Station Index service of local-level ratings—will appear as weekly Metropolitan-area reports and overnight (or faster) supplements to the regular NSI monthly & bi-monthly complete TV reports for the N.Y. market. Eventually, the new service will be expanded to other areas. (Cracked one observer, as he watched the winking neon lights & clicking tape record of the central data panel: "now a producer can stand here and watch his option drop.")

* * *

News of other Nielsen expansions & future areas of operation also came from the research firm last week. In Canada, a Nielsen subsidiary is at work surveying station coverage in all 239 counties of Canada's 11 provinces for the first nationwide Canadian Nielsen Coverage Service (NCS) study, which bears a release target of early next year. J. Walter Thompson, Procter & Gamble, and CBC have signed for the completed study.

Nielsen is also experimenting in 2 other areas: "brand ratings," which are designed to show the size of audiences earned in top TV markets by brands within specific product categories, and "print-TV" ratings, which will explore "the audience reach of combinations of magazines or newspapers and TV."

TV as a Bookseller: Television is an "unpaid hotshot salesman" for books, writes Tulsa bookseller Lewis Meyer in Sept. 28 *Publishers' Weekly*. Meyer conducts a Sun. televised book review program.

"Next time someone says that TV has hurt the book business," says Meyer, "tell him that TV is the greatest force for selling books since censorship! An Alexander King appearance on Jack Paar's show sells more books than a costly ad in the local newspaper . . . A buying urge for books shown on TV is even more acute than an urge to purchase refrigerators, cars or painkillers, because the audience doesn't set up barriers against commercials.

"TV sells books 2 ways: through interviews with authors on name network shows, and through straight book review shows. The former technique sells the most copies because it is a better established network fixture. TV personalities encourage authors to appear because authors as guests keep their shows fresh & uncontrived . . . Paar, Garroway, Linkletter, Sullivan, *What's My Line?*, NBC news commentator Chet Huntley (he triggered the demand for *Advise & Consent*) plus the many local TV personalities [are] salesmen whose commissions, if paid, would be astronomical. Thank heaven they work for all of us for free."

Why Are Agency Profits Down? Ad agency profit dropped to 3.23% of gross income in 1958 from 4.11% the previous year, continuing the decline since 1944 when the profit margin peaked at 9.03%, writes AAAA pres. Frederic R. Gamble in the Nov.-Dec. *Harvard Business Review*. A prime culprit in his opinion: TV. "While it took radio a decade to attract 10% of total national advertising expenditures, TV did the same job in 5 years," he says. "It grew from 1.3% of the volume in 1949 to 10.3% in 1953, and now accounts for 17.5%. It is hardly happenstance that the slide in agency profit margins has coincided almost exactly with the growth of this new medium."

Gamble writes that TV has introduced a host of agency activities & services which have increased costs, and that "TV advertising requires high-salaried people. As the medium has grown, the high manpower cost of production has narrowed profit margins for many agencies . . . One advertising executive recently described TV as an 'orge,' explaining that if he could convert his TV billings to other media, annual earnings for the agency would skyrocket. Another agency executive estimated that TV advertising requires 5 man-hours of work for every man-hour put into a similar budget in other media." Solution: "There are signs here & there that agencies are learning how to reduce the costs of producing TV advertising."

Ad-agency sponsorship of a TV program to advertise advertising is reported by WBZ-TV Boston. Local Ray Barron agency will pick up the tab this week (3) for an 11:15-11:30 p.m. election roundup and will use the commercial time "to dispel some of the common misconceptions so many people have about the ad business." The sponsor is using Ray Barron agency.

Television Factbooks Going Fast

OFF THE PRESSES only a few weeks, *Television Factbook No. 29*, Fall-Winter edition of the TV-radio & associated electronics industries' standard reference book has already sold some 4,000 copies. We urge you to order the additional copies you may need now. Completely indexed, this 496pp. semi-annual "almanac" provides ready access to a wealth of basic data on all U.S., Canadian and World TV stations and networks (including complete rate cards of the U.S. & Canadian networks and digests of all station rate cards); new census of TV sets by states & counties; a Canadian TV set census; data on all CPs outstanding and applications pending; updated allocations tables.

Also included are new listings of producers of TV tape programs & commercials, stations with TV tape equipment, metropolitan market data, leading TV-radio ad agencies.

All other depts. have been updated, too, including directories of the FCC, TV sales reps, program producers & distributors, manufacturers of TV-radio sets, tubes & transistors, TV-radio attorneys, consulting engineers, specialized consultants, electronic labs, etc, etc.

Included with each *Factbook* is a revised copy of our 34x22 in. Map of TV Cities and Network Interconnections, in color, suitable for framing. *Television Factbook No. 29* costs \$5 for a single copy; \$3.50 each for 5 or more.

Television Digest

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Personals: Robert Lemon named mgr., of NBC's WNBQ Chicago; William B. Decker named mgr., radio WMAQ; George W. Diefenderfer appointed national & local sales mgr., WNBQ; Theodore H. Walworth appointed mgr. of NBC's WRCV-TV Philadelphia . . . Emmett A. (Buzz) Hassett Jr., ex-WFMY-TV Greensboro, N.C., appointed gen. sales mgr., WITI-TV Milwaukee . . . S. M. (Mert) Roseman, ex-WISN-TV Milwaukee, named program dir., WTCN-TV Minneapolis-St. Paul, succeeding Ted L. Snider, resigned . . . M. S. (Tony) Bachman named public affairs dir., KXTV Sacramento, continuing also as promotion mgr.

Hillard Elkins named General Artists Corp. West Coast v.p. for TV . . . Jerry K. Levine, ex-Paramount Pictures, appointed Columbia Pictures Eastern adv. mgr. . . . Rod Erickson resigns as Warner Bros. sales v.p.

Gayle Gupton, ex-adv. & PR asst. v.p., Third National Bank, Nashville, appointed dir. of Clear Channel Bestg. Service, Washington, succeeding Hollis M. Seavey who resigned last March 31 after buying radio WCUM Cumberland, Md. . . . J. D. Nixon named program dir., CBC English TV network; Bruce Raymond appointed to similar position, English radio networks . . . Walter J. Plant, NTA program sales v.p., named to head NTA Chicago office . . . Stan Raiff, ex-NAB staffer, joins Brooks Piece Dye Works Corp., Long Island City, N.Y., as PR chief.

Donald H. McGannon, WBC pres., named to the U. of Notre Dame advisory council for liberal & fine arts . . . Robert E. Ware named chief engineer of the Alabama Educational TV Commission facilities at Auburn, succeeding George Murphy, resigned to join Ampex . . . Angela McDermott named exec. dir., Mass. Exec. Committee for School TV & "21-Inch Classroom," a four-state school TV project . . . W. C. Pearson named counsel to Canada's Board of Best. Governors (BBG), succeeding R. R. MacGillivray.

Attention-getting promotion piece is being airmailed from London by KTVR Denver to prospective advertisers. Sales message inside hand-addressed, plain white envelope advises: "In London, TV viewers have but 2 programming choices [BBC, ITV], but in Denver the TV viewer's programming choice is [Channel] 2."

Obituary

John J. Mead Jr., 63, co-publisher of the *Erie* (Pa.) *Times* and *Morning News* and 13% owner of WSEE (Ch. 35), died Oct. 29 in Erie. Surviving are his brother George, co-publisher of the newspapers and WSEE pres., 3 sons, a daughter, another brother.

Ampex Professional Products Co. has been formed by Ampex Corp. in a reorganization of its professional products div. The new company is headed by mgr. Neal K. McNaughten, who is also v.p. of the parent Ampex Corp. Key personnel in resulting organization: Video products div.—Thomas E. Davis, mgr.; Charles P. Ginsburg, mgr. of engineering; Ross H. Snyder, products mgr.; Jack Hauser, merchandising mgr.; Thomas J. Merson, head of national sales & service engineering staff; William Wallace, program-production coordinator, Hollywood; Milton Norton, ex-RCA, Midwest sales; Jack Flynn, ex-Potter Instrument Co., Eastern district mgr.; Russell Ide, ex-Sarkes Tarzian, asst. to national sales mgr.; Wharton Murray, ex-RCA Service Co., color Videotape installation specialist; Cyril Teed, British Marconi project engineer, resident Marconi engineer at Ampex. Audio products div.—Frank G. Lennert, mgr.; C. Robert Paulson, marketing mgr.; LaVerne Foster, admin. mgr.; Warren Anderson, sales promotion mgr.; Gerald Miller, national sales mgr.; Frank Richards, mgr. of special & custom products sales. Manufacturing div.—Arthur Kromer, mgr. Quality control div.—William Rolly, mgr. Personnel div.—Theodore Scudder, mgr. Operation & finance div.—Ray Stewart, mgr. Robert Miner is special market planning & research asst. to McNaughten.

Meetings next week: Assn. of Best. Execs. of Texas (Nov. 9), Western Hills Inn, Dallas-Fort Worth; Harold E. Fellows, NAB pres., guest speaker. Ariz. Bcstrs. Assn. annual meeting (9), Valley Hotel, Scottsdale. Institute of Radio Engineers radio fall meeting (9-10), Syracuse Hotel, Syracuse, N.Y. NBC TV-radio affiliates (11-13) Plaza Hotel, N.Y. Colorado Bcstrs. & Telecstrs. Assn. (13) Brown Palace, Denver.

TV doesn't win elections, CBS news pres. Sig Mickelson told an Oct. 28 luncheon meeting of the Radio-TV Execs. Society in N.Y., although it "increases interest." In 1960, he added, it'll be harder for candidates to find time to pre-empt for sponsored political shows "since there are fewer live programs, and film productions cannot be readily cut." Mickelson also expressed the hope that candidates will not discriminate between TV & newspapers as public media by "scheduling separate press conferences."

Strong affiliate support for NBC radio's new network pattern, whereby news & information shows are being stepped up but entertainment features are being offered on a pay-for-what-you-use plan, is being received, officials of the network told us last week. NBC radio exec. v.p. Joe Culligan last week explained the plan to regional meetings of radio affiliates in Chicago & San Francisco, following a regional meeting in N.Y. at which affiliate managers endorsed the plan, which goes into effect on Jan. 1, 1960. In N.Y. Culligan told us "we've described the plan in detail before executives and owners of a total of 168 affiliates, and so far have gotten unanimous approval. We have no doubt that this is the best operating method for a radio network today."

Status Symbol for Radio: RAB voted recently to construct a modern building to house its executive offices, using "money now expended in rent." Time Inc. v.p. Weston C. Pullen Jr. will be chairman of the building committee, with Elroy McCaw, WINS N.Y., vice chairman.

Dick Clark's book for teenagers: *Your Happiest Years*, (Roshco Corp., distribution by Random House, \$2.95) will be published Nov. 16.

The 500th production-model Videotape recorder was shipped by Ampex last week to educational WENH-TV Durham, N.H.

Film & Tape

WB-SAG Make Up; WB to Pay Up: Screen Actors Guild, which has been vigorously following up members' complaints of working-condition violations by TV film companies, came up with a clear-cut victory over Warner Bros. TV last week. The studio admitted the violations and agreed to pay penalties, as provided in SAG's contract.

Exact amount of the penalties isn't known yet, as Guild accountants are still going over the studio records, but insiders say it will be "considerable." Following the meeting, SAG and WB issued a statement saying "the outcome of the meeting was satisfactory to both parties. The studio agreed to satisfy any obligations as a result of past violations and steps have been taken to avoid recurrence of past differences."

SAG's successful bout with Warners apparently is only the beginning. While the Guild declines to go into specifics regarding other telefilm companies, it acknowledges that it is checking every company, and has hired 2 additional field representatives to halt what it believes may be widespread violations of Guild working conditions.

The long-simmering Warner Bros. situation broke into the open last week (Vol. 15:43 p14) when SAG's bd. of dirs. publicly denounced WB for its "failure to correct abuses concerning violation of meal periods, rest periods and other working conditions."

Previously, Warner Bros. v.p.-gen. studio mgr. E. L. DePatie said he was "shocked" that SAG would take its case to the press, instead of seeking to reconcile the problems. Said he: "The pressure of modern TV production brought with it an increase in our studio employment in excess of 50% above normal, and it is possible procedures might have failed."

DePatie asserted any contract violation has been "unintentional." "If the rapid expansion of TV production has resulted in inadvertent errors affecting players, it is also true that the flourishing TV program has provided top studio employment and the opportunity for stardom given many players who were unheard of only a short time ago," he declared.

SAG's action against Warners followed a joint protest by most of that studio's TV stars against working conditions, the actors alleging continual violations of their contract over a long period of time. Last year, when Clint Walker was suspended by Warner Bros. from *Cheyenne*, he complained he often worked until late at night, and rarely got sufficient rest between work periods. While WB's situation then involved only one of its stars, the current problem includes most of them.

The situation is unprecedented, being the first time stars have mass-protested their working conditions. And it's the first time SAG has publicly charged such mass violations by any studio.

* * *

Another headache was facing Warners at week's end: Edd Byrnes, who zoomed to stardom as Kookie of *77 Sunset Strip*, wants more money. As an unknown, he was signed for \$225 a week—and became the most popular star on the Warner lot in terms of fan mail. He now gets around \$400 a week. An earlier dispute between Byrnes and WB was settled amicably—on record royalties. Under his contract he originally didn't get any, but William Morris Agency negotiated a new deal for him a few months ago after one of his records sold more than a million copies. Warner has shown a willingness to negotiate the latest dispute, too.

Lorillard will not renew at the end of Dec. its one-third sponsorship of Warner-produced *Bourbon St. Beat*, the latest ABC-TV 60-min. show to face sponsor trouble. Unlike sponsor discontent with *Adventures in Paradise* (Vol. 15:41, p14), the P. Lorillard billings in the show, worth \$2 million annually but subject to 13-wk. cancellations, are not being yanked because of the quality of program episodes, we were told by Lennen & Newell last week. The agency, however, declined comment on a report, current in N.Y., that Lorillard wanted out because the tobacco firm discovered that the other 2 sponsors of *Bourbon*, Libbey-Owens-Ford and Van Heusen, were paying notably less per episode in program charges than was Lorillard, because of network program-contribution concessions.

MGM-TV has made a deal whereby Rexall will finance its pilot of *National Velvet*, we're informed by George Shupert, v.p. in charge of TV for Loew's Inc. Shupert commented "we feel if a sponsor is in a project at the beginning, and puts his own money into the pilot, he will be more interested in it." He said producer Bob Maxwell begins casting the show this week, and the pilot will go into production immediately thereafter. Shupert said also that MGM-TV has two 26-week-series deals pending.

Longevity of sponsorship, in terms of 52-wk. schedules from leading regional advertisers, is a major factor in getting prime-time station clearances for syndicated telefilms at the expense of network fare, ITC syndication sales mgr. Hardie Frieberg has reported. Frieberg cited the track record so far of ITC's recently released *Four Just Men* (30-min. British-filmed mystery series) which has landed in 52-wk. prime exposures (between 7-11 p.m. on weekends, 7:30-11 p.m. on week nights) in 67.7% of 31 markets in which it has been booked to date. "It's no secret that a 13-wk. contract could very well see a show taken off the air just as it's building a viewing audience," said Frieberg in an obvious reference to the current network trend toward short-term program contracts.

Writers Guild of America membership will take a strike vote this week (3) in its deadlocked negotiations for a new contract with the major studios. It will also vote on extending its 2% screen-writer assessment to the entire membership, and on using Screen Writers Guild money as a strike fund, if necessary. The Guild doesn't want a strike, and is seeking a settlement of the issues. The basic points of disagreement with the studios lie in the Guild demands for payments on post-1948 movies sold to TV & movies for pay TV (if & when). In an unusual statement, the guild notified its members last week that because negotiations may run beyond the contract expiration date they should be prepared to work, for a limited period, without a contract.

Video-taped documentaries on surgery & hospital care may eclipse live telecasts of such subjects, opines Louis Graff, Michigan Hospital Service PR dir. Referring to 4 30-min. documentaries produced by Ross Roy Inc. for Michigan Blue Cross-Blue Shield, Graff cited these advantages of tape over live: (1) may be edited; (2) doctors relieved of camera "looking over their shoulders"; (3) sponsor relieved of fear of something going wrong with operation during the broadcast. Initially scheduled for live telecast on WJBK-TV Detroit, the surgery was taped after the Wayne County and Washtenaw County (Detroit area) medical societies passed resolutions condemning live TV surgery.

ABC Films reports sales of its *People's Choice* in 15 new markets, and *Adventures of Jim Bowie* to 10 stations, during the week ending Oct. 23.

NEW YORK ROUNDUP

United Artists Associated product has been sold in 36 markets during the past 2 weeks, reported v.p. & gen. mgr. Bob Rich. "The Jazz Singer," recently updated in a Ford special, was bought by 7 stations. The largest single buy was by KRSD-TV Rapid City, which bought 10 groups of Warner features, Movieland features, the Sherlock Holmes package and other UAA features.

Ziv's *Highway Patrol* reruns have now been bought by 63 stations, with sales being handled by Ziv's Economee Rerun div. The package consists of 156 episodes. Sales of Ziv's *Tombstone Territory* reruns have been made to 12 stations in a 10-day period.

Fred Hamilton, ex-NBC-TV Hollywood dir. of film programming, has joined Ziv TV programs as exec. producer . . . Max P. Brown has been named dir. of administration for the East Coast operations of NTA . . . H-R TV's second annual promotion workshop was scheduled for Oct. 30 for promotion mgrs. of H-R-represented stations.

"Naked City," produced as a 30-min. telefilm series last season by Herb Leonard in conjunction with Screen Gems, is about to be revived as a 60-min. property, with ABC-TV agreeing to finance a pilot to be filmed entirely in N.Y. within the next few weeks. The series, which ABC is said to be considering as a possible mid-season replacement for any of its 60-min. film shows that may be dropped, will center on exploits of 2 N.Y. detectives, not yet cast.

NTA Telestudios has produced a new series of 8 video-taped commercials for Westclox watches, through BBDO. Actress Betsy Palmer is featured. The commercials were produced for 3 Westclox specials including "Miracle on 34th St.," set for Nov. 27 on NBC-TV.

Golden Press Inc. and puppeteers Bil & Cora Baird will produce a 30-min. color film series titled *Bil Baird's Golden Time* . . . MCA's *Shotgun Slade*, has been bought for WPIX N.Y. by P. Ballantine & Sons, for the Thurs., 10:30-11 p.m. time period.

. . . Trans-Lux TV has made available a Christmas holiday package of one 30-min. & four 15-min. films with yuletide themes. Letters seeking bids were sent to stations last week. The package was compiled because of "at least 75 requests for pre-Christmas programming," said Trans-Lux.

Gifford-Kim Productions Inc. is the new name of Gifford Animation Inc. Added is the name of Paul Kim, v.p. & partner in the commercial-production firm. Previously geared to film animation, production of G-K will now encompass live-action production as well.

WNTA-TV personalities David Susskind, Faye Emerson, Mike Wallace and Henry Morgan flew to Chicago Oct. 28 to promote syndication of their taped interview programs and the station's *Play of the Week* to ad agencies.

Roncom Productions (Perry Como's company), in addition to its projected telefilm series (Vol. 15:43 p15), is currently working on plans for specials starring Charlton Heston & Jane Powell. Miss Powell may also star in a series for Roncom.

ITC's rerun distribution arm Arrow Productions will handle the sale of a Metropolis Productions package of 35 pre-1948 features acquired from Medallion Pictures. Titles include "People Are Funny," "Dynamite," "Timber Queen."

HOLLYWOOD ROUNDUP

Motion Picture Assn. of America, after several weeks of see-sawing following Universal-International's refusal to join in movie-industry sponsorship of the Oscar awards, has decided to sponsor the 1960 event, we were told by Academy of Motion Picture Arts & Sciences pres. B. B. Kahane. The other major studios will pick up the financial slack left by UI's departure. Formal announcement of industry sponsorship will be made this week.

Ann Sothorn is at odds with the Govt. in Washington's U.S. Tax Court concerning \$722,322.44 which the tax men say the actress owes from proceeds of the sales of residual rights in syndication of *Private Secretary*. Miss Sothorn contended last week that her 25% ownership in the telefilms should have been taxed at a capital gain rate, and that she actually owes only \$7,120.94—a sum which also involves tax deductions for an ill-starred venture into cattle ranching in which most of the livestock died.

Harry Ackerman, Screen Gems production v.p., has been approached by 20th-Fox regarding taking over as successor to Martin Manulis. He pointed out that he's under contract to SG . . . SG incidentally tried to sign Tuesday Weld for a series, but was informed by her agent that the 16-yr.-old is fed up with TV and wants to work in movies. She is committed for 18 segments of *Dobie Gillis*.

Los Angeles Dodgers pitcher Don Drysdale has been signed by Warner Bros. for a featured role in an episode of *The Lawman* . . . Jerry Stanley, NBC film mgr., has been promoted to dir. of the film programs.

CBS has signed writer Steve Fisher to write & produce *Goodbye Hannah*, for the CBS-TV workshop. The 60-min. suspense drama will be taped late this year and will serve as a series pilot . . . Allied Artists is reactivating its long dormant TV film production, with 2 pilots which will be financed by ABC Films for syndication. AA has in the past produced TV films under the banner of its subsidiary, Interstate Television, but the ABC vehicles, not yet selected, will be produced under the aegis of AA.

NBC plans a comedy pilot, *Poor Richard*, by Laslo Vadnay . . . Format Films Inc. has been formed to make animated subjects for movies and TV. Herbert Klynn is pres. . . William Dozier, ex-CBS-TV Coast program v.p., begins his new job this week as v.p. in charge of Coast operations for Screen Gems . . . Bernie Tabakin named v.p. & natl. sales mgr. of NTA Telefilm Associates. He has been v.p. in charge of West Coast operations.

ITC's next syndication entry will be Jack Douglas' *Sweet Success* series of in-depth personality profiles. ITC is beginning to feel out interest in the series on the part of major regional sponsors, and hopes to tap new categories of advertisers for syndication (such as brokerage houses, credit card plans, business services) because of the Horatio Alger appeal of the series to rising young executives.

Glen Glenn Sound and Mark Armistead in Los Angeles are setting up a new mobile video-tape facility, offering color and b&w mobile recording. The joint venture will operate as a rental service to producers. Joseph Bluth is technical dir. The unit will consist of 2 remote trucks, one with 2 RCA color video-tape recorders, the other with 6 camera chains, 3 color and 3 b&w. Delivery of the units is expected shortly after Jan. 1.

Trade Report

NOVEMBER 2, 1959

2 MORE JOIN 23-in. PARADE: Almost everyone will be in the 23-in. act next spring, whether he likes it or not, and a couple more manufacturers indicated last week they're getting ready to dip their feet in. Others were silent, but that doesn't mean they won't be ready if 1960 customers come in demanding square-corner pictures.

Zenith and Westinghouse, both of which have been interested in Kimble Glass Co.'s 23-in. bulb with-out bonded-on implosion plate (Vol. 15:42 p18), are coming out with 23-in. sets—using Corning twin-panel glass. Both introductions will be quiet, without whoop-te-do.

Westinghouse will have two 23-in. models ready for introduction within 30 days, also will be testing tubes made with Kimble glass to see if they stack up with advance billing.

Zenith will include 23-in. models in its drop-ins after New Year, presumably also will be experimenting with Kimble approach. Says exec. v.p. Leonard C. Truesdell: "The Corning is the most tested design."

RCA's two 23-in. sets (Vol. 15:36 p15) are currently being shipped to distributors. Motorola says no 23-in. set is "imminent." Olympic says none are "planned in the current program." Others are silent.

TV SALES HEADING BOTH WAYS AT ONCE: Public's TV preferences seem to have scrambled off in all directions during first 8 months of this year. Portables & table models sharply increased their sales lead over consoles & combinations. At same time, price of average TV set sold during the period increased over last year.

This seeming paradox in year which saw few price increases on model-for-model basis indicates success of sell-'em-up campaigns. All manufacturers tell us that people are buying on a quality rather than price basis, and analysis of latest available figures indicates that although consumers have been trending more heavily to table models, they are buying higher-priced sets this year. Since figures cover only Jan. thru Aug., they don't reflect too strongly the industry's new 1960-model emphasis on "fine furniture" consoles. Here are breakdowns for year's first 8 months:

Average TV set was sold at factory price of \$136.11, \$3.55 higher than the \$133.65 of first 8 months of 1958. This continues the upward average-price trend which started in 1957. This year, portables & table models comprised 62% of total TV-set sales and accounted for 54% of total TV-set dollar volume—up from last year's 58% of units & 50% of dollar volume.

Average table model or portable sold this year at \$118.09 vs. \$114.54 last year (factory price excluding excise tax), average console or combination at \$165.03 vs. \$159.97. Since latter part of year traditionally is time when consumers go for higher-priced TVs, average set price for full year of 1959 probably will be in range of \$140 or a little higher—up from \$136 last year, \$130 in 1957 and \$127 in 1956 (Vol. 15:31 p18). Middle-of-the-line spring drop-in models and anticipated price increases (see story below), plus continued emphasis on furniture consoles, may well push average prices up at higher rate next year.

TV PRICE BOOSTS THIS WINTER? Nobody likes to talk about TV price increases—particularly now when sales are going so well—but pinch of creeping component costs may force either spot or general boosts after Christmas season.

How much component prices actually do go up will depend, of course, on revisions of steel pricing after final settlement of strike. Almost all manufacturers are inclined to try to hold price line on existing sets through production economies or by absorbing any small component price increases. New spring drop-in models, however, definitely will reflect higher component & material prices.

Bellwether RCA will say only that it's watching costs "from day to day," doesn't anticipate increases. But, as RCA Victor TV v.p. James M. Toney told Cincinnati audience last week (referring, in this case, to color sets), "the trend is up, instead of down."

"There undoubtedly will be price increases after the steel strike," an Admiral spokesman says flatly.

Anticipating upward price trend before end of year in some of its models is Olympic, whose pres. Morris Sobin told us his company has been obtaining steel at "modest premium."

Price increases of about 3% to 4% across-the-board after year's end, concurrent with introduction of new models, is predicted by Westinghouse mktg. mgr. C. J. Urban.

Manufacturers expressing confidence—or hope—that they can hold line on end-product prices despite minor component & material boosts were Zenith, Hoffman, Motorola. Sylvania merely says no change is "anticipated at this time." Philco mktg. v.p. Henry E. Bowes recently sent message to distributors urging them not to use steel strike as excuse to increase prices or relax merchandising or sales efforts. Philco anticipates no price rises.

Sales of TV sets are holding up extremely well, despite economic effects of steel strike. In our talks with 10 leading set makers last week, the answers were nearly unanimous: Despite soft spots in steel-producing markets (cited most often: Pittsburgh, West Virginia, Cleveland), sales are still exceptionally good. Some manufacturers said that even in "sagging" markets, sales are better than this time last year. Two set makers, however, suggested that some of the dealer buying today may be in anticipation of set shortage.

Sample quotes: "Overall picture very good, substantially ahead of last year" (Hoffman consumer products sales v.p. Paul E. Bryant) . . . "Sales wonderful, at capacity; in 9 months we've topped full-year 1958 sales of consumer products" (Zenith mktg. exec. v.p. Leonard C. Truesdell) . . . "Unusual play in our console TV models" (Motorola) . . . "TV-radio-phono sales running 50% ahead of last year" (Sylvania) . . . "Our TV sales are climbing nationally" (Urban, Westinghouse) . . . "TV set sales increasing across-the-board—at distributor, dealer, consumer level" (GE) . . . "Sales are still high" (Admiral) . . . "Overall picture is good" (Philco) . . . "Tremendous back-order position; we've added 360 people to our production staff since this time last year" (Sobin, Olympic).

As for steel & component shortages, most set makers still feel they're in good position till end of year or longer; a couple (Philco, Westinghouse) see pinch coming in late Nov. or early Dec. RCA's Toney, meanwhile, predicted shortages of color sets before year's end. The bottleneck: wood cabinets (see below).

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 23 (42nd week of 1959):

	Oct. 16-23	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	180,048	185,390	121,267	5,036,140	3,943,901
Total radio	459,861	447,496	310,148	12,263,854	8,600,132
auto radio	135,912	133,639	75,073	4,558,212	2,605,602

COLOR SET SALES RISE: Officials of the 2 companies now active in color TV reported sales ahead of schedule this fall, with shortages developing in certain models.

At a luncheon meeting in Cincinnati kicking off National Color TV Month, RCA Victor TV v.p. James M. Toney said color sales are running about 25% ahead of last year's rate. "Sales are going much better than we had originally projected this year—and we were optimistic in our planning," he said. "We as a manufacturer have reached the point where it is profitable to make as well as sell color TV." It was understood that cause of RCA's color TV shortage is supply of cabinets—not enough were ordered earlier to take care of growing demand for some models.

Admiral, too, reported response to its color line exceeding expectations. TV sales mgr. Ross Siragusa Jr. said sales, 2 months after introduction, are running ahead of plan, and projected figures suggest that sales will be 35% ahead of original plans by year's end. Both Toney and Siragusa credited the upsurge to increased color programming this season.

* * *

George H. Brown, RCA engineering v.p., will talk on "The Development of color TV in the U.S." at the Benelux section of IRE, the Hague, Holland, Nov. 10, and International Telecommunications Union, in Geneva Nov. 18.

Universal Controls Inc. began the construction last month of a transistor-production plant at Glen Cove, N.Y. to house operations now being carried on in a temporary building there, pres. M. Mac Schwebel told the annual meeting recently. "We will move into the new plant in early 1960 without interruption in production," he said. The Glen Cove plant, an outgrowth of N.Y.-based Universal's new special products div., will be known as C. P. Clare Transistor Corp. It takes its name from subsidiary relay-maker C. P. Clare & Co. Schwebel predicted that transistor sales will "substantially" boost Universal's annual sales, which, in fiscal period ended March 31, exceeded \$29 million.

Raytheon plans substantial additional investments in Europe and is currently surveying to determine product lines, location of production facilities and extent of new European investments, pres. Charles F. Adams said in Rome recently. Addressing a sales meeting of Raytheon distributors & licensees in 12 European countries, Adams took note of Continent's growing electronics market, predicted that Raytheon would double its sales of marine products next year. During his European trip, Adams officially dedicated Raytheon, A.G., the firm's new European manufacturing, sales and service subsidiary which is based in Zug, Switzerland.

Initial auto radio production order for 1960 cars by Stromberg-Carlson has been set at 1,150 a day.

Tunnel Diode Potential: The tunnel diode, which may bring about a small revolution in design & production of TV & FM receivers (Vol. 15:30 p16), was a major topic at the IRE electron-devices meeting last week at the Shoreham Hotel, Washington.

In the principal paper, GE's R. N. Hall pointed to the device's potential, gave an example an FM receiver in which "a single tunnel diode performs the functions of the RF amplifier, local oscillator, mixer and first IF amplifier simultaneously. Tunnel diodes are inherently low power devices" he said. "They can be designed so as to operate on appreciably less power than transistors. This will be an important advantage in a number of applications." He concluded, however, that "the tunnel diode is not a universal replacement for vacuum tubes & transistors."

Engineers at the meeting were optimistic about the diode's TV potential. For example, Earl Thomas, Sylvania dir. of research & engineering for semi-conductors, gave us this reaction: "Very cheap, can be infinitesimally small, even the size of a pinhead, lasts forever. It makes uhf TV much more practical than ever before because it increases the range of uhf by providing an amplifier for uhf which wasn't practical before."

Also discussed at the meeting was a new thin (10-in. deep) picture tube being developed by RCA, initially for non-broadcast use. The tube, resembling an automobile wheel in diameter & thickness, is designed to improve the brightness, detail and compactness of large-screen military & commercial radar. RCA's Harold B. Law & Edward G. Ramberg stated that the tube could show standard TV pictures but at the present time would operate with about 1/4 the efficiency of conventional tubes.

Space TV came within closer range last week when GE demonstrated an electricity-producing device which, the firm said, might be used to generate power for televising pictures from a space satellite to earth. The magneto-hydrodynamic device has no moving parts, generates electricity by passing hot gasses through a cold magnetic field. GE said experiments indicate the device could develop some 5 kw of power. Initial tests produced 1 kw for 5 sec. Major problems still to be solved: reducing size & weight (GE reports it's working on a 100-lb. device vs. the 600-pounder it demonstrated); increasing heat resistance to absorb the punishing temperatures (some 5,000 degrees).

"Stereo is dragging," Magnavox pres. Frank Freimann told stockholders meeting in Fort Wayne last week, adding his voice to the consensus of other manufacturers as shown in our industry interview-survey Oct. 19 (Vol. 15:42 p17). "The buying apathy of the public for stereo is something that wasn't anticipated," he said, adding that Magnavox's stereo business was up only "some 10%." He said Magnavox's electronic organ would be in production next year.

GE is enjoined from price-fixing agreements for major appliances under terms of a civil anti-trust consent judgment drawn by the Justice Dept. against the company, its Toledo distributor Commercial Electric Co. and 9 retailers in the Toledo area. Criminal anti-trust action against the same defendants in the Toledo case was terminated in Feb., when they pleaded no defense and were fined \$19,000.

The 19 millionth Emerson radio came off the Jersey City assembly line last week, and it was presented to pres. Benjamin Abrams with appropriate ceremony. The set was the newest model introduced by the 37-year-old firm, the 9-transistor Eldorado.

PROFILE OF AN ELECTRONICS LEADER: To find out what it takes to make that heady climb to the top of the ladder, Nov. *Fortune* got the answers straight from the bosses' mouth. It questioned 1,700 top executives who boss the 500 biggest firms in 17 major industries and came up with, among other data, a profile of the appliance-electronics' chief executive.

Mr. Electronics is nearing 56, works some 54 hours a week, has been in the top spot for less than 2 years, and took 23 years in his present firm to make the trek. He fares much better financially than his counterpart in most other fields. He earns \$82,738 in an industry which ranks as the 5th best-paying for chief executives. High: metals manufacturing (\$92,647); low: insurance (\$50,658); median, \$73,584. The largest percentage (25.3%) of appliance-electronics executives earn between \$75,000-\$100,000. The smallest percentage (3.6%) earn between \$200,000-\$250,000. A gratifying 4.8% earn more than \$250,000—compared with an all-industry total of 1.8%. None earn less than \$25,000 (compared with 2% of other-industry executives who do.)

The typical electronics leader got his grounding in engineering (26% of 83 respondents did) and journeyed to the top via general administration (33% went that way). The most popular alternate route: finance. Appliance-electronics executives, *Fortune* notes, "are the most mobile of any. Every third man at the top has worked for 3 or more other companies before finally being grounded at his present one. As might be expected of a new & dynamic industry, the accent is on youth: these executives have the smallest percentage of sexagenarians and are otherwise below the average executive's age."

The electronics chief worries most about inflation & foreign competition, worries least about competition from other industries.

Other characteristics of executives in general: Nearly 80% are Republicans; almost two-thirds are college graduates; 38% were born in the Midwest, 32% in the Northeast. Nearly 70% of the top men have worked for their present firms a minimum of 20 years.

Entering closed-circuit TV equipment field, Interstate Electronics Corp., 707 E. Vermont Ave., Anaheim Cal., has announced a field-sequential color system, a high-definition b&w system and a low-level video amplifier. The company is also working on slow-scan systems and is aiming at medical as well as industrial applications. Interstate Electronics was formed as a div. of Interstate Engineering Corp. by Paul R. Reedy, now pres. of Interstate Electronics. L. Delford Fedderman is chmn., Charles T. Cossor dir. of mktg., Bryan O. Sparks gen. mgr., James J. Reeves dir. of TV development. The company employs more than 400.

Huge research & development center, bringing together all Westinghouse basic & applied research, will be constructed in Churchill, Pa., 10 miles from downtown Pittsburgh. Full occupancy of 2 new buildings is scheduled for 1961. The center will be occupied by 1750 employees and its 712,000 sq. ft. of floor space will contain 450 individual labs. In addition to the research labs, Westinghouse's materials labs, new products labs, manufacturing planning & control labs and patent dept. will occupy the new campus-type center.

Emerson has filed an appeal to the U.S. Court of Appeals from the recent federal court decision that its TV & FM sets have infringed on the late Maj. Edwin Armstrong's FM patents (Vol. 15:40 p15).

Trade Personals: Ralph Kaufman appointed Olympic sales administration mgr., succeeding Jerry LeBoyer, resigned . . . Robert L. Abel, ex-RCA mobile communications products div. mgr., appointed Tele-Dynamics Inc. communications div. sales mgr. . . Herbert C. Johnson Jr. becomes Sylvania PR dir., succeeded as public information mgr. by Robert T. Sheeran. Neil H. Johnson, ex-Sylvania ad dept., replaces Sheeran as publicity project mgr. for Sylvania Home Electronics . . . William Balderston Jr. named asst. to the TV merchandise mgr., Philco . . . W. Hubert Beal named pres. & chief executive officer, W. L. Maxson Corp., succeeding Hugo A. Leander, elected chairman; William Maxson Jr. named v.p., continuing as secy. & dir.

John H. Sidebottom named RCA defense mktg. staff administrator . . . William Levy named sales promotion mgr., Columbia Records . . . Frederick P. Ciambone named asst. gen. mgr., Stromberg-Carlson-San Diego . . . David L. Wyand named customer services mgr., Eitel-McCullough . . . Herbert J. Pyle, ex-Precision Instrument Labs v.p., appointed to new post of dir. of service, Collins Radio Cedar Rapids div. . . Howard P. Corwith, Western Union Telegraph research & engineering v.p., retires Dec. 31 after more than 43 years with the firm.

A. W. (Al) Bernsohn, NARDA exec. v.p. since 1951, has notified the NARDA board of his intention to resign next year on expiration of his contract June 30 or at an earlier mutually agreeable date, pres. Joseph Fleischaker announced last week. Bernsohn did not reveal his plans, except that he will move to the West Coast.

RCA's Emil A. Dodelin retired last week after 41 years with the firm & predecessor Victor Talking Machine Co. He supervised most of RCA's major product exhibits (Chicago World's Fair, 1933-35; N.Y. World's Fair, 1939-40), was first manager for the company's Cherry Hill (N.J.) Hall of Progress, and, most recently, served on shows & exhibits staff of PR dept.

Westinghouse has agreed to an FTC consent order forbidding it to grant dealers discriminatory prices or advertising payments in sales of some electric appliances—principally Laundromats. Settlement of the FTC complaint, issued in May 1958, did not constitute an admission by Westinghouse that it had violated any law.

GE re-enters console phono field with a new series of Musaphonic stereo units in wood-veneer cabinets with matching extension speaker systems. Housed in contemporary furniture, the consoles are available in 3 finishes, with or without an AM-FM tuner. Carrying no suggested list prices, units are due to go on sale this month.

Sylvania is using network radio to plug its 23-in. TV line. It has bought participations in *News on the Hour*, sponsorship of *Monitor Sports* 3 weekends, Army-Navy game, all on NBC radio.

Pacific Mercury Electronics has acquired controlling interest in National Automation Corp., developer of automation devices for industrial & commercial accounting applications, and automatic parking-lot toll-collection systems.

RCA Service Co. has signed a contract to augment factory & field service force of Victoreen Instrument Co.

Obituary

Walter J. Drury, 77, former v.p. & a dir. of the Graybar Electric Co., died Oct. 26 of a heart ailment at his home in N.Y. He is survived by his wife and a sister.

Magnavox has received a \$9 million order from the West German Republic for communications systems. The award increases Magnavox's backlog of military & industrial products to a record \$65 million. Magnavox v.p. and govt. & electronics div. gen. mgr. Gen. George Smith said the Fort Wayne firm is West Germany's largest supplier of military electronic equipment. Pres. Frank Freimann pointed out that Magnavox is aggressively developing the European market, anticipates a substantial increase in annual volume resulting from foreign business.

Fairchild Camera & Instrument Corp. will exercise its option to acquire the common stock (held by 11 persons) of Cal. silicon-transistor maker Fairchild Semiconductor Corp., John Carter, pres. of the former, announced last month. There will be an exchange of 19,901 shares of Fairchild Camera stock. Carter said production facilities of the Cal. firm will be increased from 68,000 to 183,000-sq.-ft., and that by the end of 1960, employment will increase to 2,000 from some 700 at the present time.

Intensified semiconductor activities by Minneapolis-Honeywell and Controls Co. of America were announced recently. M-H will erect a \$1 million 40,000-sq.-ft. semiconductor research & development center at Riviera Beach, Fla., for occupancy early next summer. Pres. Paul B. Wishart said the production of M-H's transistor line will continue at Minneapolis. Controls Co. of America established a new subsidiary, Solid State Electronic Controls Inc., with plant & HQ at Tempe, Ariz., to make semiconductor devices.

Ro-Nard Inc., N.Y. firm, its sole employee, Mrs. Lily S.S. Wolfenson, and Alberto Azar, Montevideo, Uruguay, have been temporarily denied all U.S. export privileges for allegedly smuggling strategic electronic equipment out of the U.S. The Commerce Dept.'s Bureau of Foreign Commerce said it believes that Azar buys electronic equipment and delivers it to Mrs. Wolfenson, and that she turns it over to a 3rd party who takes it out of the country, presumably as personal effects.

Turbo Dynamics has arranged tentatively to buy Tech Ohm Resistor Corp. and its wholly owned Cima Corp. subsidiary for approximately 250,000 of TD common stock. TD pres. J. A. Garcia said the purchase would "give us a complete line of resistors and complete national sales coverage," but noted that the transaction depends upon the outcome of negotiations to purchase 2 other resistor firms, "one in the west, one in the Philadelphia area."

False price claims for phono needles are alleged in an FTC advertising complaint against Recoton Corp., Long Island City, and N.Y. retailer G. Schirmer Inc. The FTC said "regular retail prices" of Recoton's diamond-needle & combination diamond-sapphire needle were misrepresented by the firms, which also are charged with failing to "clearly or conspicuously" disclose that an "unconditional lifetime guarantee" had "conditions & limitations."

Automatic test machine which performs 26 tests on a TV picture tube at the rate of 600 tubes per hour has been installed by RCA at its Marion, Ind. production plant. Entertainment tube-products dept. mgr. J. B. Farese explained that "electrical limits for the tube under test are built into test circuits of the new machine. Picture tubes are passed or rejected according to these limits."

Moving deeper into radio business, Columbia Phonograph dept. is offering a German-made "convertible" transistor radio. The small 6-transistor pocket radio may be slipped into a larger cabinet with a 5-in. oval speaker for use as a table model.

Finance

SET MAKER PROFITS UP: Sales & earnings of companies in the TV-radio-phono business continued their climb in the 3rd quarter, and every manufacturer who has reported to date has shown healthy increases for both the latest 3-month and full 9-month periods. Topped by Motorola's all-time high sales & profits in both periods, 4 more manufacturers reported increases last week—Philco, Admiral, Westinghouse & Magnavox (below). In previous weeks, good Sept. 30 quarter & 9-month statements have come from RCA, Hoffman, Siegler (Vol. 15:43 p18) and GE (Vol. 15:42 p20).

Motorola reported record sales & earnings for both the 3rd quarter & the first 9 months of 1959. The company's previous record highs: Third-quarter sales, 1956, totaling \$60,887,948; third-quarter profits, 1950, at \$2,865,576 (\$1.48 a share); 9-month sales, 1957, at \$166 million; 9-month earnings, 1950, at \$8 million (\$4.17 a share). Chairman Paul V. Galvin said Motorola's unit TV sales were up 35% over last year's 9-month period, while in stereo "Motorola retained first position and sold over 30% of industry unit volume in the higher profit model categories." Communications products & semiconductors continued to show increased volume. The income report does not include operations of recently-acquired Dahlberg Co., hearing-aid manufacturer. For 9 months to Sept. 30:

	1959	1958
Net sales	\$206,012,733	\$137,162,983
Net income	9,485,024	3,217,726
Earned per share	4.90	1.66
Shares outstanding	1,935,131	1,935,131
For 3 months ended Sept. 30:		
Net sales	\$77,145,487	\$52,618,421
Net income	3,598,653	1,739,429
Earned per share	1.86	90¢

Philco reported 3rd-quarter earnings 12% above the comparable 1958 figure on a 6.5% sales increase. Nine-month gains were strong, share earnings going from 1¢ in 1958 to \$1 in 1959. Pres. James M. Skinner said both consumer & govt. sales increased in the 3- & 9-month periods. All divisions reported profitable operations for both periods despite "substantially higher expenditures for engineering & development programs" in the computer & transistor fields. For 9 months ended Sept. 30:

	1959	1958
Sales	\$283,516,000	\$245,820,000
Net income	4,373,000	332,000
Earned per share	1.00	1¢
Shares outstanding	4,074,866	3,989,833
For 3 months ended Sept. 30:		
Sales	\$102,171,000	\$95,925,000
Net income	1,987,000	1,774,000
Earned per share	46¢	41¢

Admiral's 9-month sales & earnings were substantially higher this year than last. Pres. Ross D. Siragusa said demand is high for all of the company's products and that 4th-quarter sales should be greater than last year, despite the steel-strike situation. He revealed that current production of the new 7-transistor all-American-made pocket radio now exceeds 1,000 a day as a result of its "enthusiastic reception." The 3rd-quarter income statement was not released. For 9 months ended Sept. 30:

	1959	1958
Sales	\$145,849,148	\$123,529,953
Net income	2,371,376	947,254
Earned per share	99¢	40¢

Magnavox reported at a stockholders meeting last week that its consolidated sales & earnings for the first fiscal quarter ended Sept. 30 both established new records. All divisions contributed to the increase. Stockholders approved a 2-for-1 split and an increase in authorized common stock to 3.5 million from 2 million shares. For 3 months ended Sept. 30:

	1959	1958
Sales	\$25,661,000	\$17,372,000
Net income	1,244,000	722,000
Earned per share	1.06	61¢
Shares outstanding (1959)	1,174,186	1,174,186

Westinghouse's substantial increase in 9-month earnings on a lesser boost in sales and its record-making 3rd-quarter profit, the results of a cost-control program, have made possible an increase in the annual dividend rate to \$2.40 from \$2, the company announced. Stockholders will be asked to approve a 2-for-1 stock split at a special meeting Jan. 4 in Pittsburgh. The company's quarterly report said that consumer products and air-conditioning equipment paced the 3rd-quarter sales gains, all products except heavy apparatus showing increases. For 9 months ended Sept. 30:

	1959	1958
Net sales	\$1,408,393,000	\$1,384,499,000
Net income	56,225,000	49,011,000
Earned per share	3.17	2.79
Shares outstanding ..	17,315,731	17,070,543
For 3 months ended Sept. 30:		
Net sales	\$494,189,000	\$460,538,000
Net income	22,075,000	19,038,000
Earned per share	1.25	1.09

Hoffman Electronics Corp., whose 9-month income statement was printed last week (Vol. 15:43 p18), reports increased sales & earnings for 3 months ended Sept. 30:

	1959	1958
Net sales	\$11,915,968	\$9,425,243
Net earnings	453,661	417,216
Earned per share	30¢	28¢
Shares outstanding	1,506,322	1,476,756

Harman-Kardon Inc. reports a net income of \$29,789 (7¢ a share) for the quarter ended Sept. 30. The hi-fi equipment maker had a loss of \$8,924 in same '58 quarter.

Muter Co. earned \$237,211 (30¢ a share) in the 9 months ended Sept. 30, compared with \$189,801 (24¢) in the year-ago period.

Cohu Electronics reports a net income of \$674,968 (48¢ a share) for the 9 months to Sept. 30. A 1958 comparison is not available.

Collins Radio has submitted an SEC registration statement (File 2-15721) for 155,740 common-stock shares in its stock-option plan for executives & other key employes.

American Bosch Arma had a net income of \$3,019,437 (\$1.57 a share) for the 9 months ended Sept. 30, up markedly from \$2,414,965 (\$1.26) in the year-ago period.

Beckman Instruments has filed an SEC registration (File 2-15639) for 117,559 common stock shares to be issued under the company's restricted stock option plan.

Hoffman Electronics seeks SEC registration (File 2-15640) of 12,808 common stock shares and \$375,000 interests in its employe thrift plan.

Westinghouse Electric Corp. has applied for listing & registration of its common stock on the Pacific Coast Stock Exchange, anticipates an effective date of Nov. 23.

RCA has asked the SEC (file 2-15703) to register 400,000 common stock shares under its stock option plans.

Broadcasting Profits Up: Four entities in TV-radio broadcast field, whose stock is publicly held, reported good increases in net earnings in latest quarterly announcements last week—AB-PT, Metropolitan, Taft, Meredith (for Storer report, see Vol. 15:43 p 19).

American Bcstg.-Paramount Theatres last week reported that its estimated net operating profit for the first 9 months was 26% higher than in the same 1958 period. Third-quarter results of the company's theater, record and broadcasting activities were higher than the same 1958 period, pres. Leonard H. Goldenson told stockholders in the quarterly report. For 9 months ended Sept. 30:

	1959	1958
Net operating profit	\$5,226,000	\$4,142,000
Net capital gains	181,000	250,000
Consolidated earnings ..	5,407,000	4,392,000
Earned per share	1.26	1.00
Shares outstanding	4,149,362	4,149,363
For 3 months ended Sept. 30:		
Net operating profit	\$1,340,000	\$1,100,000
Net capital gains	182,000	27,000
Earned per share	32¢	25¢

Metropolitan Bcstg. Corp. (WNEW-TV & WNEW N.Y., WTTG Washington, radio WHK Cleveland, buyers of WTVH Peoria & radio WIP Philadelphia subject to FCC approval) reports for 39 weeks to Oct. 4:

	1959	1958
Net income	\$1,197,097	\$219,394
Earned per share	77¢	14¢
For 13 weeks ended Oct. 4:		
Net income (loss in '58) .	\$192,845	(\$86,800)
Earned per share	12¢	—

Taft Bcstg. Co. (WKRC-TV & WKRC Cincinnati, WTVN-TV & WTVN Columbus, WBRC-TV & WBRC Birmingham, Ala., WKYT Lexington, Ky., 30% of WBIR-TV & WBIR Knoxville) reports for 6 months ended Sept. 30:

	1959	1958
Net income	\$643,000	\$447,000
Earned per share	44¢	31¢
For 3 months to Sept. 30:		
Net income	\$248,000	\$148,000
Earned per share	17¢	10¢

Meredith Publishing Co. (WHEN-TV & WHEN Syracuse, WOW-TV & WOW Omaha, KPHO-TV & KPHO Phoenix, KCMO-TV & KCMO Kansas City, *Better Homes & Gardens, Successful Farming*) reports for 3 months to Sept. 30:

	1959	1958
Net income	\$1,264,106	\$786,899
Earned per share	97¢	61¢

Warner Bros. Pictures Inc. reported that its net income for the year ended Aug. 31 was the best since the movie-production firm was separated from theater operations in March, 1953. Pres. Jack L. Warner attributed much of the improvement to increasing production of films for TV. The fiscal-1959 performance showed that the film firm's profits topped the \$17.4 million of fiscal 1956, which included \$15.3 million from the sale of old films to TV. For fiscal 1958, the company lost more than \$1 million.

Republic Pictures net income declined sharply to \$675,678 (19¢ a share) for the 39 weeks to July 25, compared with \$1,296,065 (50¢) for the year-ago period.

Reports & comments available: Magnavox, report, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 . . . Twentieth Century-Fox, memo, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . Texas Instruments and Electro Instruments, comments, Bache & Co., 36 Wall St., N.Y. 5.

Thompson Ramo Wooldridge reports reduced earnings on sharply increased sales for the 3rd quarter ended Sept. 30. However, for the 9 months to that date, both sales & earnings ran well ahead of those for the same 1958 period. Chmn. J. D. Wright & pres. D. E. Wooldridge attributed the 3rd-quarter imbalance of sales & profits to heavy spending for engineering & development activities, and opening new markets in the electronics & missile fields. They anticipate that final 1959 sales will reach \$400 million, compared with last year's \$341 million. For the quarter ended Sept. 30:

	1959	1958
Sales	\$100,139,942	\$81,692,302
Net income	1,642,397	1,817,471
Earned per share	51¢	47¢
Shares outstanding (1959)	3,032,343	3,032,343
For 9 months ended Sept. 30:		
Sales	\$297,367,074	\$251,429,578
Net income	6,395,304	5,769,161
Earned per share	2.03	1.82

Telechrome Mfg. Corp. reports record sales but lower net income for the year ended June 30 as compared with fiscal 1958. As of June 30, the company's total assets were \$1,658,355 vs. \$1,010,293 a year earlier; net current assets were \$345,351 vs. \$473,715; unfilled order backlog \$660,135 vs. \$558,088. Pres. J. Raymond Popkin-Clurman told stockholders that profits would have been higher than last year had not the company felt "it is more prudent to use a larger-than-normal portion of our earnings for expansion." Reinvested earnings amounted to \$2.41 per share. Telechrome has purchased an option to acquire 50% interest in Hammarlund Mfg. Co., N.Y. manufacturer of communication radios & control equipment (Vol. 15:30 p19). For the year ended June 30:

	1959	1958
Net sales	\$1,641,194	\$1,352,316
Net income	54,768	175,660
Earned per share	19¢	65¢
Shares outstanding	288,251	269,800

Daystrom earnings for the 6 months & 2nd quarter ended Sept. 30 were more than double those for the corresponding 1958 periods, pres. Thomas R. Jones reported last week. The Murray Hill (N.J.) electronics manufacturer noted that "new business bookings are strong and the rate of billings indicates that we may exceed our earlier forecast of approximately \$85 million in sales for this fiscal year." For the 2nd quarter ended Sept. 30:

	1959	1958
Sales	\$20,111,000	\$16,989,000
Net income	440,000	210,000
Earned per share	48¢	23¢
Shares outstanding	914,013	907,468
For 6 months ended Sept. 30:		
Sales	\$41,350,000	\$35,800,000
Net income	802,000	369,999
Earned per share	88¢	41¢

Oak Mfg. Co. profits for the 3rd quarter increased 6% to \$233,502 on sales which increased moderately to \$4,308,182 from 3rd-quarter 1958's \$3,951,869 volume. The Chicago-based components maker also reported a backlog one-third higher than that of a year ago and substantial gains gained slightly, in the quarter ended Sept. 30:

	1959	1958
Sales	\$13,458,098	\$11,029,766
Profits	733,106	359,736
Earned per share	1.12	55¢
Shares outstanding	655,894	655,894

Beckman Instruments Inc. sales advanced, and earnings gained slightly, in the quarter ended Sept. 30.

	1959	1958
Sales	\$12,638,315	\$10,212,444
Net income	622,516	619,483
Earned per share	46¢	45¢

Arvin Industries netted "excellent gains" in sales & earnings for the 9 months ended Sept. 30, paced by a 40% increase in sales of radios & phonos and automotive and other consumer products, pres. Glenn W. Thompson told the N.Y. Society of Security Analysts last week. Estimated earnings for the 3rd quarter totaled \$600,000 (50¢ a share) compared with 3rd-quarter 1958 earnings of \$278,777 (31¢). For the 9 months, net profit is estimated at \$1.7 million (\$1.50) vs. \$569,536 (63¢) for the same 1958 period. Thompson forecast total 1959 sales of \$70 million, compared with 1958's \$54 million, and envisioned a record volume in 1960, in excess of \$75 million. He noted that "it seems likely that 1959 will be Arvin's largest year in radio dollar & unit volume," and announced that the firm will introduce in Dec. a new transistorized portable radio line, "competitive with foreign imports" and priced from \$30-\$100.

Merger of Consolidated Electrodynamics with Bell & Howell has been approved in principle by the directors of both companies. The tentative agreement, subject to stockholder approval, provides that Bell & Howell would distribute 3 additional common shares for each 4 Bell & Howell shares now held, and Consolidated stockholders would receive one share of Bell & Howell in exchange for each share of Consolidated. Consolidated makes electronic instruments & test equipment. Bell & Howell manufactures motion-picture & photographic equipment, audio-visual devices and mailing machines. Consolidated's sales for 1958 totaled \$32 million, Bell & Howell's \$59 million. Consolidated employs about 8,000, Bell & Howell 4,000.

Stock-trading rules are being violated by some over-the-counter dealers in securities of some small, little-known companies in electronics, missiles and related defense fields, according to a preliminary SEC staff report. Naming no names of firms involved in an SEC investigation of "hot issues," the report says stock of the companies has been distributed by the use of sales techniques which restrict the supply to the public and cause prices to go up.

Harman-Kardon Inc., Westbury, N.Y. hi-fi amplifier maker, has applied for SEC registration (File 2-15758) of \$600,000 of 6½% subordinated convertible debentures due Dec. 1969 and 80,000 common stock shares for public sale. Milton D. Blauner & Co. Inc. is the principal underwriter for the sales, in which the common shares would be offered by Harman-Kardon pres. Sidney Harman, who owns about 52% of 455,000 shares outstanding. Part of the proceeds would be used to pay \$200,000 in bank loans.

Electronics Capital Corp., the San Diego-based closed-end management investment company headed by Charles E. Salik (Vol. 15:18 p24, 15:24 p24), will provide \$1 million of long-term capital for Potter Instrument Co., manufacturer of digital tape recorders & related devices. Electronics Capital Corp. will purchase \$750,000 of Potter 10-year convertible debentures. Under the agreement, Potter may borrow \$250,000 more for additional working capital.

Sylvania's proposed issue of \$25 million debentures (Vol. 15:39 p19) has been rescheduled for probable market introduction this week. Indications are that the issue, to mature in 1984, will carry a 5½% coupon. Paine, Webber, Jackson & Curtis and Halsey, Stuart & Co. Inc. have been named as managing underwriters for the debentures.

Ling-Altec Electronics scored a net income of \$612,000 (41¢ a share) on sales of \$17,668,000 for the quarter ended Sept. 30. For the 9 months ended that date, net income was \$1,331,000 (93¢) on \$28,997,000 sales. No 1958 comparisons are available. Chmn. James J. Ling also reported that Ling-Altec's backlog of orders tops \$55 million.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Con. Electrodynamics.	Q	\$0.10	Dec. 15	Nov. 27
Desilu	Q	.15	Nov. 27	Nov. 13
Electronics Invest. ...	—	.03	Nov. 30	Nov. 2
Mallory (P.R.)	Q	.35	Dec. 10	Nov. 16
Mallory (P.R.)	Stk.	2%	Dec. 21	Nov. 16
Magnavox (new)	—	.25	Dec. 15	Nov. 25
Siegler	—	.10	Dec. 1	Nov. 13
Stanley Warner	Q	.30	Nov. 25	Nov. 10
Taft Bcstg.	—	.10	Dec. 15	Nov. 15
Tung-Sol	Q	.35	Dec. 2	Nov. 12
Westinghouse	—	.60	Dec. 1	Nov. 9

Howard W. Sams & Co., the Indianapolis publishing, electronics-research & engineering firm, reported increases in sales & profit for the 13th consecutive year in its annual statement for the fiscal year ended June 30. The income statement of the company and its subsidiary Bobbs-Merrill Co. for the year to June 30:

	1959	1958
Net sales	\$5,233,640	\$4,455,716
Net profit	253,391	210,171
Earned per share	2.03	1.67
Shares outstanding	120,000	120,000

Indiana Steel Products Co., whose name changes Nov. 16 to Indiana General Corp. when it consummates its merger with General Ceramics Corp. (Vol. 15:40 p8), reports net income of \$774,876 (\$2.21 on 350,091 shares) for 9 months ended Sept. 30, compared with \$306,463 (\$1.05 on 293,298) for the same 1958 period. Stockholders approved the merger at a special meeting Oct. 16.

Eitel-McCullough has asked SEC to register \$5 million of convertible subordinated debentures which will be offered for public sale by an underwriting group headed by Schwabacher & Co., San Francisco. The San Carlos, Cal. producer of power tubes & electronic products said that the proceeds will be used to retire bank loans, to finance construction, and to provide working capital.

Granco Products Inc. reportedly increased sales to \$825,000 and earnings to 5¢ a share during the first fiscal quarter ended Sept. 30, compared with sales of \$530,000 and earnings of 3¢ during the year-ago quarter. Sales for the year ending June 30, 1960 are forecast at \$4 million, up from fiscal 1959's \$3 million. Granco production is believed double that of a year ago, as the firm pushes to reduce a record backlog of unfilled orders for its FM radios.

Zenith's employe profit-sharing fund has multiplied some 24 times in the past decade to a current evaluation of \$33 million, reports *Profit Sharing Trends* magazine. The fund's growth is based on contributions from company profits and on earnings from fund investments. Zenith's profit-sharing fund is also the firm's largest stockholder—holding more than 200,000 shares (an average of 20 per employe) which represent about 50% of the fund's holdings.

Martin Co., Baltimore aircraft-missile-electronics firm, has purchased "in excess of 10%" of General Precision Equipment Corp.'s outstanding common stock and of its latest series of preference stock, Martin chmn.-pres. George M. Bunker said this week. GPE management last year rejected a merger plan proposed by Martin.

Tung-Sol Electric sales & earnings gained sharply in the 39 weeks to Sept. 26:

	1959	1958
Sales	\$53,088,110	\$43,002,356
Net income	2,109,654	1,768,922
Earned per share	2.10	1.76

Hoffman's annual report was judged to be the best in the electronics industry this year in the 19th annual survey by *Financial World* magazine.

Educational Television

Electronics Upgrades Education: Modern electronics is the key to a "massive upgrading in the quality of education," and tools already available open the way to an immediate advance "comparable to that made possible by the invention of the printing press in the 15th century," RCA pres. John L. Burns told the NAEB convention in Detroit last week.

He said the advance will require broader scope in the concept & application of educational electronics and a teaming of the teaching-broadcasting-graphic arts; outlined a 6-point program for improving education's quality. He suggested an ETV library of lectures by distinguished teachers, establishment of research-and-development funds by states and/or localities to further experiments.

"Because of the critical problems faced by education in general," Burns said, "there is an overriding need for still greater pioneering effort. In this, the educational broadcasters have a beckoning opportunity for leadership."

Other convention speakers included AFL-CIO v.p. Walter Reuther and Gilbert Seldes, dir., the Annenberg School of Communications. Professional papers read at the sessions covered TV & radio research, music programming, staging and lighting engineering developments, closed-circuit TV, low-cost production, stereo recording, publicity & public relations, "preparing the faculty for TV."

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Stratovision-ETV Specifics: Technical details of the massive \$7-million Midwestern educational TV experiment with airborne uhf TV transmitters (Vol. 15:42 p3) were disclosed last week when Purdue U. filed the application with FCC for the Midwest Council on Airborne TV Instruction (MCATI).

The experimenters plan to transmit on Ch. 72 & 78 for standard TV signals, Ch. 75 & 76 for narrow-band (3-mc, exact frequencies to be specified later). All airborne transmitters will be 12 kw, each feeding into a separate omnidirectional antenna. Signals will be sent to the plane from Purdue by 12-kw transmitters (28.2 kw ERP)—Ch. 41 & 47 for standard transmissions, Ch. 53 & 59 for narrow-band. Of the hundreds of schools to participate in the test, 10 will have special narrow-band receivers.

Two DC-7 planes will be used, one of them as a standby. The transmitting plane will travel in a 10-mile-radius circle, 23,000 ft. above Montpelier, Ind., 140 miles from the Purdue campus at Lafayette, Ind.

A major aspect of the whole program is spectrum conservation. As discussed by engineers A. Earl Cullum Jr. & Thomas A. Wright Jr., who prepared the application: "The broadcast of 6 programs on separate standard 6-mc TV channels would require the use of a total of 36 mc of spectrum space by each facility and might preclude the use of additional spectrum space in nearby areas because of the various problems of interference. Complete coverage of the country could be achieved with 3 groups of 6 channels each, or a total of 108 mc of frequency spectrum. A fundamental part of the proposed experiment would be to determine means of reducing the spectrum requirements and of estimating the over-all requirements. It is hoped the requirement will be less than half that indicated above."

Legal work on the application was handled by Percy Russell, of Kirkland, Ellis, Hodson, Chaffetz & Masters.

Adler Files ETV Plan: Ben Adler's Adler Electronics Inc. has called on the FCC to change its rules on TV translator operation "to permit the development of multi-channel educational TV broadcast systems & ETV networks" through more use of uhf frequencies.

The New Rochelle, N.Y. manufacturer of transmitters, translators and microwave relay equipment said in its petition that "maximum benefits from the uhf frequencies" could be obtained for ETV by (1) Local origination as well as off-air pickups by translators. (2) Additional ETV translator channels. (3) Mileage separation on a non-interference basis. (4) Waiver of duopoly requirements.

"These rules will enable a number of educational groups to carry out their plans for low cost on-air stations to serve both schools & homes," Adler argued. FCC already has waived 2 sections of its existing regulations in translator grants to the U. of Utah for on-campus originations.

National ETV & Radio Center affiliates, meeting in N.Y. Oct. 24-26, were told of plans for installation of a 5-machine video-tape duplicating center in Ann Arbor, Mich. to facilitate exchange programming between affiliates. At least 30 of the center's 42 affiliates will be able to program tape shows by Feb. 1960, pres. John F. White told the meeting. Tape will enable the center to organize & produce timely programs, such as 1960 convention roundups, while they are still news, said White. The outlook for addition of a uhf station in Washington, D.C., as a Center affiliate, is hopeful, he also reported.

Ampex's 500th production-model Videotape recorder went last week to educational WENH-TV Durham, N.H.

WEEKLY **Television Digest**

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

SUMMARY-INDEX OF WEEK'S NEWS

Congress

HARRIS HUNTS NEW TV-RADIO PAYDIRT in "payola" practices, following sensational quiz hearing windup. Kintner & Stanton pledge program reforms (pp. 1, 4 & 5).

Advertising

FTC CHIEF'S HIGH HOPES for TV self-control remain undisturbed, while his stepped-up anti-deception program brings "camera trickery" charge against auto-glass commercials (p. 2).

BIG AD YEAR AHEAD as top advertisers plan 10% budget increases in 1960, ANA survey shows as annual meeting gets underway Nov. 8 in Hot Springs, Va. (p. 9).

FULL HOUSE ON BOURBON ST. AGAIN, as Brown & Williamson moves into "Bourbon St. Beat" to replace exiting P. Lorillard on ABC-TV; no "program contributions" made on the show, says the network (p. 9).

BRITISH BEACHHEAD IN U.S. ADVERTISING market is being formed by London's Associated-Rediffusion, which has hired McCann-Erickson as its ad agency and is selecting an American station rep (p. 9).

Film & Tape

HOLLYWOOD BLUES: Producers say they're caught in the middle as sponsors demand more quality, and production costs rise steadily (pp 4 & 14).

FCC

FCC'S NETWORK REP DECISION says networks are in position to restrain competition with spot TV, and curb stations' freedom to operate, must therefore drop non-o&o clients (p. 10).

Manufacturing & Distribution

NEW LOOK AT COLOR finds no groundswell, despite good reports from RCA & Admiral. Already burned once, other set makers prefer to stay in black-&-white only (p. 3).

PAUL V. GALVIN, electronics pioneer, founder & chmn. of Motorola, mourned as one of best-loved & most effective leaders of industry (pp. 17 & 19).

TV COMPONENTS PLENTIFUL INTO '60: Our discussions with 7 leaders disclose no component shortages, and more concern with impending shortages in orders than with dwindling steel (p. 17).

Programming

QUIZ ANGLES OUTSIDE WASHINGTON continue to multiply—in New York, Evanston, Ill., Stockton, Cal., Stamford, Conn., Allentown, Pa.—and everywhere else (p. 7).

VANISHING MARKET FOR FEATURES is seen by N.Y. station execs if Hollywood doesn't move post-'48s before stations find other ways to fill feature gap (p. 8).

Stations

HAUSMAN OUTLINES PHILOSOPHY of TIO under his administration: Admit errors, correct them, inform public, defend industry contributions. Petersmeyer urges increased public service (p. 11).

Other Departments

PERSONALS (p. 13). **FINANCE** (p. 21). **ETV** (p. 23). **FOREIGN** (p. 23). **AUXILIARY SERVICES** (p. 24).

HARRIS HUNTS NEW TV-RADIO PAYDIRT: House TV scandal probers, who uncovered sensations in quiz hearings which ended last week (see pp. 4, 5 & 7), moved promptly on to another broadcasting field which promises more industry-embarrassing headlines—"payola."

"Other practices in TV also deserve scrutiny," Commerce legislative oversight subcommittee Chmn. Harris (D-Ark.) said, announcing windup of quiz probe and start of broad new inquiry by his staff. He didn't specify precisely what practices he had in mind. But others on subcommittee confirmed earlier reports (Vol. 15:44 p2) that one of them is payola to dictate what music is heard on air.

Allegations of music bribery already are in subcommittee's record, supported by 12-page document submitted by American Guild of Authors & Composers. "There is no doubt," Guild pres. Burton Lane wrote oversighters' counsel Robert W. Lishman, "that commercial bribery has become a prime factor in determining what music is played on many broadcast programs and what musical records the public is surreptitiously induced to buy." Lane said FCC & FTC have ignored "scandalous facts" reported by trade press.

"Deception equally strong" as that exposed in quiz hearings can be found in investigation of music payoffs, Rep. Moss (D-Cal.) observed. No date for any public hearings in this TV-radio area of Congressional suspicion was set by subcommittee. But new probe is expected to cover not only payola but reported pay-offs

for advertising plugs on programs—which may include plugs for resorts, airlines, hotels and perfumes. For one thing, subcommittee hasn't yet finished with curious case of Allentown (Pa.) store owner Max Hess and his claims that he bought mentions on defunct \$64,000 Question—and other shows still on air.

"Miserable & deplorable" was way CBS Inc. pres. Frank Stanton described pay-off practice when he was asked about it at quiz session last week. "It probably exists to some extent in the industry," he conceded. "It's very hard to police."

Subcommittee has no known legislative plans to try to write law banning payola in any of its varied forms. Internal Revenue Service is sure to be working with subcommittee to enforce one law already on books, however. IRS agents were in constant attendance at quiz hearings to pick up leads on unreported income of fixed contestants. They'll be even more keenly interested in evidence of how payola works.

FTC CHIEF'S HIGH HOPES FOR TV SELF-CONTROL: Federal Trade Commission Chmm. Earl W. Kintner is personally, as well as officially, disturbed by impact of many TV programs & commercials. There are very few programs, he told us last week, which he & his wife will permit his 3- and 16-year-old sons to watch.

Couple these personal feelings with his official duties, with the fierce grilling he received from Rep. Harris' subcommittee, and with attention directed to FTC's "anti-deception" activities by President Eisenhower—who appointed Kintner and made him chairman—and you don't wonder that the FTC chief is zealous.

Hence the stepped-up FTC drive to clean up spurious commercials (Vol. 15:44 p12), which brought a formal complaint last week against Libby-Owens-Ford Glass Co. and General Motors for using "camera trickery" in TV commercials to sell L-O-F auto side-window glass against competitors'.

But Kintner is still set against more restrictive laws, still favors industry self-policing—in fact believes TV-radio commercials have improved. "On the whole" he said, "radio & TV ads are probably better than they were 2 or 3 years ago, through the voluntary efforts of the industry. But a gradual process is not enough. We need more than an average response from the industry. If I were the industry, I would be taking desperate measures to restore public confidence. I applaud the measures taken to date. I think that Stanton and Fellows have displayed real statesmanship. I'm very hopeful of improvement. I don't like to see any segment of industry suffer from the questionable activities of a few. I don't believe in too much govt. regulation. I'm a firm believer in capitalism, and I believe that businessmen have enough genius to police themselves."

Control over deceptive programs, as distinguished from commercials, is beyond FTC's legal powers, according to Kintner. But at least one student of trade practices disagrees. Prof. S. Chesterfield Oppenheim, U. of Mich. law school, offers this concept: All sponsored programs are designed to sell products. Programs compete with each other and with other media. When quizzes are fixed, the public is misled in evaluating true nature of the program. Classifying quizzes as "entertainment" makes no difference from legal standpoint, he said, if misleading practices are present. But he believes industry self-regulation should be tried before FTC is called upon to police programs.

Examples of "camera trickery" by L-O-F and GM were given FTC in its complaint: "In one filmed sequence, different camera lenses were used, resulting in an inaccurate demonstration of the comparative distortion; and in another, the picture purportedly taken through plate glass was actually taken through an open window, i.e., with the window rolled down."

L-O-F quickly disputed the charges, denied that its advertising was "in any way false or misleading or that it rested upon camera trickery or deceptive photographic techniques." It said that competitors instigated the complaints. GM declined to comment.

Another reason why FTC will move faster hereafter is that its TV-radio chief Charles A. Sweeny returned to his desk last week after 2 months sick leave. In addition, FTC's field offices will be increased from 9 to 10 with addition of Boston Dec. 1, under veteran FTC attorney Robert R. Sills. Other 9 offices, where staff has been ordered to intensify monitoring of non-network shows: Atlanta, Chicago, Cleveland, Kansas City, New Orleans, N.Y., San Francisco, Seattle, Washington.

Sweeny said that lack of manpower is all that prevents FTC from issuing complaints at a faster clip. He said that pending complaints aren't concentrated on any particular class or classes of products or geographical areas. Network commercials get closer attention than local because of their great audiences, he said. He believes that networks are glad to point to FTC crackdowns in order to reject objectionable commercials.

NAB Code Board chief Donald McGannon, of Westinghouse Stations, conferred with Kintner in Washington last week, offered Board's cooperation. Kintner accepted gladly, telling us, "I was impressed with his sincerity." A continuous liaison was established—between NAB's dir. of TV code affairs Edward Bronson & FTC's TV-radio chief Charles A. Sweeny. Kintner gave the following as an example of what the co-operators might do: "We intend to explore, with McGannon's group, the possibility of voluntarily taking off the air medical claims which our medical experts unanimously agree are false but which would take long & expensive testing to prove."

Kintner said most of the complaints about exaggerated claims received from the public are about "remedies"—for headaches, obesity, vitamin deficiency, etc. Other common complaints cover soaps, tooth-pastes, odor-killers—with "miracle" ingredients. These are being investigated by FTC staff. They're in addition to a great volume of complaints about commercials which are "distasteful." FTC has no jurisdiction over these, can only exhort industry to drop them.

NEW LOOK AT COLOR—BUT SAME OLD STORY: There's more color-TV programming on the air than ever before, both network & local. The 2 manufacturers active in color-set sales—RCA & Admiral—report orders in excess of expectations, and, in some cases, in excess of supply (Vol. 15:44 p8). RCA, finally making profit on color-TV production, reports sales 25% ahead of last year.

In this apparently rosy-hued picture, what are prospects for all-out color push by TV manufacturing industry next year? Answer: Nil.

"Once burned—twice shy" seems to sum up feeling of set manufacturers with regard to color. No major set maker has anything to show for its color research-development and/or manufacturing-sales activities of the mid-1950's except red ink—although none of them has a color investment even approaching the magnitude of RCA's.

But there's another reason why manufacturer interest in color is at its lowest ebb: Black-&-white TV sales are excellent; radio is hot; stereo is doing OK, although not quite up to expectations. "Right now we need a new—and unprofitable—product like we need a hole in the head" is essence of comments of majority of major manufacturers with whom we discussed subject last week.

"We'll go into it when we're sure it can be profitable for manufacturer, distributor & dealer." This also seems to be party-line, and no manufacturer can see this situation on the horizon. We found a great willingness—even eagerness—to pay tribute to RCA's tenacity. Most manufacturers still think color will some day be important profitable business and that RCA will succeed in putting it over. Some told us they thought a concerted all-manufacturer campaign could do it much quicker—but nobody is disposed to go through the period of heavy losses involved. "RCA & Admiral might be able to make money, but there isn't room for everybody," was the way one set maker phrased it.

Lingering memories of losses on color are still a sharp reminder to most manufacturers. Emerson, which probably was turning out color sets longer than any firm except RCA, discontinued color production just a couple of months ago. Pres. Benjamin Abrams said Emerson had made 4,000 to 5,000 sets since June 1955, losing \$3 to \$4 million on its color investment. "We just decided to stop losing money," he told us. "You can sell color sets right now—below cost. Color will catch on when a set can be sold for less than \$500 with a legitimate profit, and if color programs continue to improve."

Motorola says it produced more than 10,000 color sets over a 3-year period, losing plenty on the deal, and detects no new "groundswell." The company says it will go back into color when a set can be made at a price comparable to b&w or a strong enough market is apparent for sets in \$500-\$600 range.

Lack of marketing information was blamed by another manufacturer, whose spokesman preferred to speak anonymously. This firm made about 3,500 color sets in the mid-'50's, and its spokesman said: "If RCA began telling the industry, through EIA's market statistics dept., what the color business is about, what the attainable volume is, manufacturer interest would be awakened. We know the size of TV, of hi fi, of the radio business. On the basis of past history, nothing could prompt us to go back into color now. There are more interesting & profitable paths to pursue."

Zenith, Sylvania and others also state they will go into color when there's some assurance of profit in it—and they can't see it coming.

"We'll enter the color business when the total volume is capable of supporting more than one or 2 manufacturers," says Westinghouse mktg. mgr. C. J. Urban. "We probably lost as much on color as anybody except RCA. Color is a fringe right now, a small thing—b&w, radio & stereo are better & surer. When we go back into color, we'll do it right—a full line, with price step-ups. That's the only way to do it. When? Certainly not for some time."

Greyish view of color at the moment seems to be shared by CBS-TV, which has no live color shows on schedule through year's end. Its last live color special was presented in Dec. 1958. CBS is, of course, continuing color research & development, and will put shows in color on order. Several of Red Skelton's shows have been in color—Skelton personally being a color-TV enthusiast—and next month's repeat of Judy Garland's long-ago technicolored Wizard of Oz (MGM) will be colorcast on CBS.

Like papa RCA in the set field, NBC-TV is carrying the color burden in network arena, with average 18 hours programming weekly. Some stations have stepped up local color recently.

RCA thus continues its long, lonely fight for color acceptance—now with one ally (Admiral). It's getting little help from rest of industry—but most remarkable aspect of whole picture is that almost all of set-making fraternity is confident RCA eventually will win. They're all rooting for color—from the sidelines.

HOLLYWOOD BLUES: Hollywood producers—caught in a vise between advertisers who insist on more production values in telefilms, and unions which demand more money & benefits—face a critical situation. Although some sponsor contracts include escalator clauses to cover increased labor costs, many series are losing money on their network runs.

Look for more, not fewer, labor crises in Hollywood. What has occurred thus far is probably merely a preview. Upcoming negotiations with actors will aggravate the situation, and producers will complain that they can't cope with rising production costs. On the other hand, sponsors aren't satisfied with the production they got 5 years ago, demand a lot more. This requires more shooting hours & higher budgets. But in heavy competition, producers have no alternative except to please the sponsor.

Some companies losing money on first-runs pin their hopes of recouping losses on syndication, but others contend the rerun market is overrated and that a glut of thousands of telefilms in syndication will lower the price of all. The law of supply & demand as it also pertains to talent has caught up with TV film. Today there's a shortage of stars, writers, directors and even personnel in some of the crafts. Actors with fair names got about \$300 a picture 8 years ago; today those same performers can get \$3,500 a film. As for top stars, their prices are astronomical, and can be met only by the specials. So as each segment of personnel—talent or craft—seeks a larger slice of the pie, producers protest that if this keeps up there won't be any pie left. (For more on Hollywood's dilemma, see p. 14.)

Congress

More about

BIG TROUBLE FOR TV: The big & climactic scene in the House Commerce legislative oversight subcommittee's 1959 TV investigative season was played by Charles Van Doren at the opening of last week's final scheduled series of quiz hearings. But the melodramatics—all making TV itself a villain—continued.

Topping sensations produced by the subcommittee in its probe of show fixes (Vol. 15:40-44) was a 29-min. confession by teacher-commentator Van Doren ("I was involved, deeply involved, in a deception") in the jammed but hushed House caucus room. He said he had been living lies since he started toward fortune & fame on NBC-TV's *Twenty-One* in 1956.

Enough TV-damaging material still was left in the investigators' files—and in testimony by a long string of usually-reluctant witnesses who followed the star performer on the stand—to support headline after headline in newspaper edition after edition, however. And few sectors of the TV industry escaped being touched by the onslaught of evidence & suspicions (see p. 7) which came after Van

Doren finally bared his rehearsed part in making *Twenty-One* a rigged contest and earning \$129,000 from the Barry & Enright-packaged program. "God bless you!" subcommittee Chmn. Harris (D-Ark.) told him gratefully.

Performers, producers, packagers, agencies, networks all came under general indictment for at least guilty knowledge of quiz frauds before the week was out.

With Van Doren off the stand (and subsequently out of his \$5,500 Columbia U. teaching post and \$50,000 NBC-TV job), CBS-TV's \$64,000 *Question* & \$64,000 *Challenge* took *Twenty-One's* place on the caucus room's center stage. But other quizzes—running all the way back to radio's *Quiz Kids* in the '30's—were in the oversighters' spotlight.

At the week's end NBC pres. Robert E. Kintner & CBS Inc. pres. Frank Stanton, 2 of the industry's most skillful advocates, finally got their turns to defend their networks (see p. 5). But if they repaired much damage, no member of the subcommittee acknowledged it publicly. Each was excoriated for not preventing quiz deceptions on the public in the first place. "Laxity!" was one of the milder criticisms leveled at networks officialdom by one oversighter after another.

Also under major attack were the Revson brothers of \$64,000 *Question* & \$64,000 *Challenge*. sponsor Revlon,

whose 41 months (1955-58) as TV advertiser on the shows saw cosmetic sales leap from \$33.6 million to \$110.3 million.

Threats of perjury actions against Revlon pres. Charles Revson & exec. v.p. Martin Revson were heard from subcommittee members. "The Attorney General should take it up," said Rep. Derounian (R-N.Y.) for one, after telling Martin Revson his testimony about lack of knowledge of the show's manipulations wasn't credible.

Belligerent witnesses both, the Revsons vehemently denied sworn statements by producers Steven B. Carlin & Mert Koplin (of "Question" & "Challenge" packager Entertainment Productions Inc.) that the Revlon executives knew what went on. The producers said it was common knowledge in Revson management that questions & answers on the program were "controlled"—that, in fact, it was pressure from the sponsor for higher & higher ratings that drove the packager to tighter & tighter controls of winners & losers.

Testimony by Carlin & Koplin about Revlon's awareness that the shows were "controlled"—if not "rigged" to give contestants precise questions & answers—was supported generally by George J. Abrams, ex-Revlon adv. v.p. He now is cosmetics & toiletries div. pres. of his old firm's competitor, Warner-Lambert.

"I believe the producers felt this pressure and resorted to rigging & fixing to save their property and satisfy the sponsor," Abrams said. "This does not make their actions any less reprehensible, but I think it does explain why they did it. They were living between the mixed values of show business & the advertising business, and moral values were lost sight of in this effort to entertain the public & satisfy the sponsor."

Conflicting testimony on the question also came from exec. v.p. Robert L. Foreman of BBDO, one of at least 9 agencies which has had the Revlon account in recent years, and pres. James D. Webb of C. J. La Roche, which holds it now. Foreman said he "assumed" the shows were controlled to an extent. "I never suspected there was any dishonesty in these shows," said Webb, disputing Carlin, Koplin and Abrams.

That the shows were "controlled" was testified to—or supported in statements by—"Question" & "Challenge" contestants including Rev. Charles F. (Stony) Jackson, Xavier Cugat, Wilton J. Springer. In his testimony Koplin asserted that all contestants who reached a \$32,000 level on the shows were helped.

And Shirley Bernstein, associate producer of "Challenge," swore in an affidavit that about a quarter of all contestants on the show received questions nearly identical to those put to them in warm-up sessions. Among these contestants, according to closed-session testimony released by the subcommittee: child actress Patty Duke, who tied child singer-actor Eddie Hodges for a \$64,000 split.

In other secret-session testimony released by the subcommittee, Edward Jurist, producer of CBS-TV's defunct *Dotto*, said the practice of rigging such shows went back at least as far as radio's *The Quiz Kids*.

In public sessions, an extra added attraction was boastful testimony by Max Hess, Allentown, Pa. dept. store owner, that in 1955 he had paid \$15,000 through a store employe to get another employe on \$64,000 *Question*. Of this money, \$10,000 in cash went to Elroy Schwartz, who worked in N.Y. offices of Cowan Productions Inc., and \$5,000 to a N.Y. publicity agent who acted as an intermediary, Hess said. Hess also claimed he had paid for store publicity provided by a variety of newspaper col-

umnists, including Bob Considine and TV critic Jack O'Brian. And so it went in the caucus room, where S.R.O. crowds dwindled after Van Doren's performance, but where there were few empty places at the press tables set up for more than 100 reporters.

One of the casualties of the week, in addition to Van Doren, was Army Capt. Michael O'Rourke, a \$106,000-plus winner on NBC-TV's *Tic Tac Dough*. Producer Howard Felsher, who had been fired by the network, had said at a private session that the veteran of Korea had been fed questions & answers to win his money. O'Rourke, who had denied any fix on the show, resigned from the Army.

It was the subcommittee's biggest broadcasting week since the oversighters were set up in House business in 1957 to see whether federal agencies—such as FCC, which came in for only passing attention last week—were doing their jobs properly.

President Eisenhower, asked at his press conference what he thought about the House testimony, said: "Everybody was astonished and almost dismayed when they heard about it and I think everybody from the basic industry itself right on down to the producers, performers, and actors and the public itself, nobody will be satisfied until this whole mess is cleaned up."

On this White House note, the hearings on quizzes were concluded—but not before Rep. Rogers (D-Tex.) put a final complaint in the record that FCC had information as far back as 1952 that there was "skullduggery" on CBS-TV's *The Big Payoff*, but did nothing about it. He said he'd like to question FCC about it later.

Next TV target for the oversighters, as announced by Harris: "Other practices in TV [that] also deserve scrutiny." No schedule was set on the next set of hearings, which are expected to go into "payola" and other reported pay-off & kickback practices (see p. 1).

Networks

More about

THE NETS SPEAK UP: NBC & CBS presented a united front against TV programming frauds last week—but split sharply on remedies when it came to telling House quiz-show investigators how sin on the airways can be eliminated.

Appearing as major windup witnesses in a week of headline-packed quiz scandal hearings by the Commerce legislative oversight subcommittee (see pp. 1 & 4), NBC pres. Robert E. Kintner & CBS Inc. pres. Frank Stanton denounced show-rigging as "reprehensible" & inexcusable. They said their networks should have detected—and done something about—fixes long before stories began breaking in the newspapers last year.

"By hindsight we recognize we should have dug deeper," said Kintner. "With benefit of hindsight, it is now clear that I should have gone further," Stanton told the hostile, suspicious subcommitteemen led by Rep. Harris.

Both acknowledged that all TV has suffered damaging blows from the rigging disclosures, although they pleaded that quizzes weren't the only programs on the air.

"We believe that the incidents of quiz show dishonesty are completely reprehensible and we are keenly aware of our responsibility for the programs we place in our schedule," Kintner testified. "But these incidents are not typical of all shows in this category, and certainly do not reflect the character of the TV medium."

"The integrity of all broadcasting has been chal-

N.Y. Times TV editor Jack Gould Nov. 6 of Hogan's estimate of 100 possible perjurers: "Far & away the most sickening aspect of the whole video affair."

"At issue now," editorialized the *N.Y. Herald-Tribune*, "is the propriety of Judge Mitchell D. Schweitzer's action [in impounding & sealing the presentment handed up by the Grand Jury after investigating the quiz riggings]." Added the Trib: "Nearly 500 [presentments] have been filed in N.Y. County in the last 90 years, all of which, until this one, were 'accepted'—that is, made public."

The TV quiz scandal was even giving the underworld a new gimmick last week. In Stamford, Conn. a daylight burglar made off with \$7,000 worth of furs & jewelry from the home of Mr. & Mrs. Arthur Cuscuna, after gaining admittance to the house on the pretext that he was "a television quiz investigator."

Publicity-grabbing jet flight from Hollywood to Washington last week by 9-year-old TV actress Evelyn Rudie received complete & scathing treatment by reporter Thomas Wolfe in the Nov. 5 *Washington Post*. Of young Miss ("Eloise") Rudie (who claimed she drained her toy safe of \$125 to jet to the Capital to ask Mrs. Eisenhower to line up a TV series for her) Wolfe said: "It's tough sledding when you're a 9-year-old TV star . . . and you & your mother feel your publicity agent is getting you barely enough clippings to paper the living room wall." Finding her daughter missing, Wolfe noted, Evelyn's mother immediately called, not the police, but "old friend" Vernon Scott of UPI. The young actress landed at Baltimore's Friendship Airport where she was met by a swarm of FBI agents, police, airline officials—and the press. Commenting on the fact that American Airlines reported the reservations made by an adult voice, she said: "Oh Evelyn imitates grownup voices on the phone all the time." Los Angeles police indicated they'd try to determine whether it was all a publicity stunt—& a violation of the city's laws against false reports.

New libel trial of Fulton Lewis Jr., MBS commentator, must be held in Washington, U.S. Dist. Court Judge Burnita S. Matthews ruled last week, rejecting arguments by his lawyers that it should be transferred to Baltimore. They had contended an impartial jury couldn't be picked in Washington because of publicity given the case when it was first tried last winter. A jury then awarded \$145,000 damages to Seattle educator Pearl A. Wanamaker from Lewis for an MBS broadcast linking her with Communists. The verdict was set aside in May by Judge George L. Hart, who said the jury must have been "influenced by passion or prejudice" to set such an "excessive" figure (Vol. 15:19 p8).

TV news programming is trending upward both in quality & quantity, concludes a recent UCLA survey of "TV News in the Los Angeles Area." The comprehensive 56-page report notes that only 5.4% of current L.A. programming is devoted to news, but termed news shows "vital in programming" even though TV "cannot hope to compete with newspapers in news coverage." TV newscasts, claims the report, "show all too clearly the network or channel's character, organization, and attitude toward its viewers . . . if TV has a personality, it's the newscasters who provide it."

QXR Network, FM chain which rebroadcasts programs of *N.Y. Times'* WQXR, has been extended to Washington with the addition of WITH-FM Baltimore & WASH (FM) Washington, 16th & 17th stations to join the circuit.

Vanishing Market For Features? "By the time the movie majors get around to a residual formula with Hollywood unions covering use of post-'48 features on TV there may be only a limited market for them," said WABC-TV's Joe Stamler last week. "TV is learning to fill the gap caused by the shortage and overpricing." The v.p. & gen. mgr. of ABC's thriving N.Y. o&o believes that distributors who keep a time lock on their film vaults are in for trouble. "Most majors are doing fairly well in the worldwide movie market by selling old product to TV directly or through sales agents, and with their own TV series," he said. "But meanwhile, the audience for features is getting tired of watching repeat after repeat. The development of late-night live programming on video tape, a trend away from the hypo of rating-week exposure of choice features, and a trend toward full-month, instantaneous ratings—these are all quietly cutting into the nighttime feature audience."

"We're not going to worry ourselves about a dwindling supply of features with no-post-'48s in sight," said Stamler. "We've tried gimmicks, like features in the daytime and horror films, but they either don't draw ratings or have only a temporary effect. I think you'll see more late-night live programming and reruns of the new crop of 60-min. film shows as spot-carriers—to the point where there will be real buyer resistance to new features—unless distributors get them into the market in a hurry."

Other N.Y. stations we queried generally tended to agree with Stamler's analysis of the N.Y. feature-film situation. "Features don't seem to be pulling like they used to," said William Cooper Jr., WPIX film buyer, adding "while the boys in Hollywood are fighting about residuals, stations are using other means of programming. Ultimately, the distributor will suffer." WOR-TV uses its *Million Dollar Movie* series as a keystone of nighttime programming when baseball season is over. There, program dir.-film buyer Bob Smith admitted he was "not too concerned with post-'48s" and the pricing was "too high" on most that are now "trickling out." Ben Hudelson, WRCA-TV program mgr., said his station was "just waiting for them, but not necessarily impatiently." WNTA-TV's prog. dir. Douglas Rodgers told us "movies are definitely overpriced in the N.Y. market, considering the quality of the product." On post-'48s, Rodgers said: "Since we stress live & tape nighttime programming, we have very little anxiety over their appearance."

The film dept. mgr. of the N.Y. station generally credited with cornering the fattest picture backlog in the market, Bill Lacey of WCBS-TV, was the dissenting voice. "I don't agree that chances of selling post-'48s will be poorer the longer they are held back," he told us. He added, however, that station-level interest in post-'48s "depends on how large a library a station has and how much the station depends on film programming." If features were a primary source of programming for a station, Lacey stated, film buyers at the station "will be interested in all new packages whenever they are put on the market." When prices are too high, he observed, a station can bargain.

New Lopert Feature Package: Our prediction (Vol. 15:14, p9) that Lopert Films, div. of United Artists, would release a sizable package of post-'48 feature films to TV this year was confirmed last week in N.Y. Lopert has established a TV sales operation headed by gen. mgr. Robert Morin, and will shortly release a 65-title package of foreign-produced features, including 44 J. Arthur Rank titles acquired when Rank pulled out of U.S. distribution early this year.

Advertising

BIG AD YEAR AHEAD: General budget increases of about 10% in 1960 by the nation's top advertisers are predicted by an Assn. of National Advertisers survey released at the opening of ANA's annual meeting, Nov. 8, in Hot Springs, Va. The study analyzes 290 questionnaires from ANA members in 33 industry classifications, spending collectively over a billion dollars a year in advertising. Expenditures for 1959 compared to 1958, as well as plans for 1960 were reported.

Of 266 companies reporting plans for 1960, 80% will be spending above 1958 rates. Of 165 companies reporting increases in 1959, 77% will increase their budgets in 1960. Of 63 companies which spent the same in 1959 as 1958, 47% plan to increase their budgets next year.

In the \$1 million-\$5 million budget classification, 71% of ANA member companies plan increases next year. In the over-\$5 million category, 68% of the companies plan increases in 1960. The strong upward trend in ad spending was most evident among drug, cosmetics, toiletries, metal fabrication, public utilities, confections, soft drinks, beer & wine advertisers.

* * *

Record 1959 ad volume of \$11.055 billion, up 7.3% over 1958 levels for both national & local advertisers, is predicted by the Nov. 6 *Printers' Ink*. Pacing the anticipated gains in dollar volume will be network & spot TV, up 11% to \$1.225 billion from 1958's \$1.106 billion, and magazines, up 11% also to \$850 million from approximately \$767 million. The 1959 prediction is based on first-half activities and is 1.4% higher than the \$10.9 billion estimated previously on the basis of first-quarter volume.

* * *

Million-dollar advertisers in 7 major media increased in number to 387 in 1958, up 4 from 1957's total of 383, according to *Printers' Ink's* "Advertisers' Guide to Marketing for 1960." The 1958 "millionaires" invested a record \$1,996,796,000 in network & spot TV, newspapers, magazines, farm papers, business papers, and outdoor; accounted for 69.8% of all advertising in those media.

Full House on Bourbon St.: ABC-TV may be having rating problems and bad press notices with several of its new 60-min. film shows (primarily from Warner Bros. & 20th-Fox), but the "magazine concept" of selling them was in high gear last week. As a replacement for exiting P. Lorillard Co. in *Bourbon St. Beat* (which decided to pull out, as Lennen & Newell TV-radio v.p. Nick Keesely put it, "after seeing the first 3 shows") ABC-TV landed another tobacco firm, Brown & Williamson.

In radio's heyday, when long-term sponsor identification often ruled out a program sale to a firm even remotely in the same business as a departing sponsor, such a move would have been earth-shaking. But last week no one was particularly surprised. "Ted Bates (Brown & Williamson agency for Kools, Viceroy) bought the show strictly on the basis of circulation. There was no concern about carry-over sponsor identification," a network executive told us.

ABC-TV pres. Ollie Treyz last week also made a point of flatly denying the rumor (Vol. 15:44 p15) that the network was making special price deals in the form of program contributions in "Bourbon St." The program-only price, said Treyz, was \$15,333 per first-run episode for 1/6 spon-

sorship (1/3-occupancy on an alt. wk. basis), and "everybody is paying the same."

With a full sponsor house, "Bourbon St." is currently protected against any immediate cancellation, although the Southern-accented private-eye series can be blacked by ABC-TV after the 26-wk. mark.

ABC's current handshake deal with Warner Bros., under which the network functions as the exclusive outlet for WB shows, by purchasing them directly & re-selling to sponsors in segments, had an effect in another area last week. Rodney Erickson, ex-Y&R TV executive who is v.p. in charge of worldwide TV sales for WB, made a new deal with his employers. Erickson, who found himself with little to do (although NBC & CBS have both indicated they'd like WB telefilm series next season, "provided they get the same deal as ABC now gets") will take a cut to become a "non-exclusive consultant" to WB & others.

British Beachhead: Associated-Rediffusion, British TV firm that supplies London-area weekday commercial programming, lost no time in following up the Nov. 4 announcement of the lifting of most of the remaining import controls on U.S. goods sold in England. In N.Y. Nov. 6, a press conference was called by A-R's adv. sales mgr. Guy Paine and McCann-Erickson International chmn. Sylvester L. ("Pat") Weaver to announce: (1) That Weaver's agency would launch a trade-consumer campaign to promote A-R's TV services; (2) A-R was in the process of picking an American station rep to handle time sales to U.S. advertisers; (3) A-R was very much in the market for new American revenue or TV spending by U.S. firms that have British branches.

By Paine's estimate, the latter category of spending is already important to British TV, representing "possibly 25% of all British commercial TV revenue." No revisions in A-R's present TV sales policies (all commercials on a spot basis with program control remaining with A-R) are planned, but A-R plans to consult with all U.S. advertisers interested in reaching the largely control-free British market. Similar consultation will be offered by the firm's American rep, whose name will probably be announced Nov. 11 in London but "probably won't be NBC or CBS Spot Sales," Paine stated. McCann-Erickson won't be involved in time sales, Pat Weaver made clear, but would concentrate on "such things as trade paper advertising for A-R."

From a standing start in 1955, A-R has progressed to the point where revenue is now "about 12.5 million pounds" (some \$34 million) annually, Paine told reporters. A-R now reaches 2.25 million TV homes in the London area (about 72% of all TV homes; the remainder are single-channel homes that get only BBC-TV) and usually walks off with the top program ratings. Cost-per-1,000-homes on 30-sec. commercials is now about \$1.50.

In 1964, when the British TV system will be up for governmental review, A-R plans to seek a second TV channel "devoted to serious programming only" and whose rates, pegged to the 25% of the TV audience A-R expects to reach, "will be adjusted accordingly," Paine added.

People: Frank A. Sherer named McCann-Erickson senior v.p.-treas. & dir., succeeding Frank White as treas. Mr. White, a senior v.p., becomes vice-chmn. of the exec. policy committee . . . R. Wells Brown elected Compton v.p. . . . Frederick D. Sulcer named mgr., Needham, Louis & Brorby TV-radio creative dept. . . . Ronald C. Bradley and Herbert G. Drake promoted from v.p.'s to senior v.p.'s, Ted Bates.

The FCC

FCC'S NETWORK-REP DECISION: The reasons behind its decision ousting networks from the TV-spot rep business were given in detail by FCC last week, following announcement of the decision a month ago (Vol. 15:41 p1). Basically, they revolve around the concept that national spot is an important competitor to networking, and there's an ever-present danger of diminishing this competition if networks are also in the rep business. CBS & NBC have indicated they plan to fight the decision. ABC isn't in the rep field.

The FCC summarized its views thus: "Participation in the spot sales fields gives the networks the potential power to restrain competition for the representation of stations, as well as competition between network & national spot TV. In the latter field, the networks' role as national spot representative for affiliated stations creates an inherent conflict of interest which has resulted in inhibiting competition between network & national spot TV. Such restraint by the networks on the licensee's freedom to choose his station representatives and freedom to compete for national spot business therefore involves interference with the licensee's independent duty to operate his station in the public interest."

For an example of such restraints on competition, FCC pointed to CBS's 1952-54 campaign to raise spot rates to equal network rates. The Commission noted that its staff reported that the CBS Spot Sales & networks divisions cooperated in the campaign, and said that it agreed with its staff's conclusion: "In this case, the CBS Spot Sales division sacrificed potential or actual national spot business by helping to set the national spot rates of the owned & the affiliated stations at a level that would reduce competition between network & national spot sales. The spot-sales organization was acting in the interest of the broadcasting company rather than in the interests of the stations which it represented in national spot sales; indeed, it can be said to have been acting in a manner contrary to the interests of the represented stations."

* * *

FCC said that networks are in a powerful position, through control of affiliations, to force many stations to give them their spot-rep business—thus enabling networks to restrain network-spot competition. The Commission rejected network arguments that they have no intention of expanding their lists of represented stations. CBS represents 7 stations in addition to its o&o's; NBC reps 6. The decision permits networks to continue repping o&o's.

A bit sarcastically, the FCC said: "Statements by the networks of their current intention not to expand their sales activities have coincided with the pendency of this and a prior Commission proceeding in which the problems raised by the spot activities of the networks were an issue. This voluntary self-restraint has not been explained by convincing reasons based on considerations normally affecting the conduct of the spot-representation business. Accordingly, there is no assurance that, absent Commission action, the networks will adhere to their voluntary limiting policies in the future."

The Commission also explained why it decided to let CBS & NBC continue to represent non-o&o radio stations: "Of most significance is the fact that the networks do not occupy the same dominant position in radio that they do in TV. The relative significance of radio networks, both

as an economic factor & as a source of programs, has declined substantially. The radio networks do not dominate the radio field, nor do they occupy the same bargaining position with respect to their affiliates as they do in TV. Moreover, although there are many more radio stations than TV stations, CBS & NBC both represent fewer stations in radio spot sales than in TV spot sales." CBS reps 5 non-o&o's, NBC 3. The document is 35 pages long, single-spaced Public Notice 59-1119, mimeo. 79466, docket no. 12746, available from the Govt. Printing Office.

Flint's Ch. 12 remains in WJRT's hands, the Court of Appeals ruled last week as it upheld FCC against radio WFDF Flint and W. S. Butterfield Theatres in the much-litigated case. After the original FCC decision in 1954, winner WJRT had been granted a modification of CP based on a new transmitter site, new studio building and changed programming plans. WFDF and Butterfield asked FCC to reopen the hearing because of these changes. FCC refused, the losers appealed, and the Court of Appeals reversed the Commission. The Court ordered FCC to conduct further hearings to determine whether WJRT was still the best applicant, on the basis of the changes, and whether WJRT should be disqualified because of the "late revelation" of its changes. FCC conducted the hearing, concluded WJRT was still superior and suffered no character disqualification. Last week, Judges Bazelon, Danaher & Bastian concluded: "We think that full & comparative hearings have now been afforded the respective parties. We find no basis for disturbing the Commission's decision." In a related decision, the judges upheld FCC's decision denying the protest against WJRT's modified CP, filed by WKNX-TV (Ch. 57) Saginaw-Bay City.

Second conspiracy trial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside on charges that they plotted to rig the Miami Ch. 10 grant for National Airlines WPST-TV (Vol. 15:44 p10) has been postponed. The retrial was scheduled to start Nov. 3 in U.S. Dist. Court, Washington, but Judge Charles F. McLaughlin put it off until Nov. 12 to give him time to wind up another case. Then counsel for Mack & Whiteside made 2 moves which promised to delay it even longer. They filed a motion with McLaughlin asking that the case be transferred to Miami, arguing that it would be a hardship on Fla. witnesses to come to Washington again. The defense lawyers next appealed to the Supreme Court to review a decision by the Court of Appeals upholding refusal by Dist. Court Judge Burnita S. Matthews to order acquittal for Mack & Whiteside after their first 12-wk. trial ended in a hung jury.

Boston Ch. 5 "influence" case produced an unusual brief last week as FCC attorneys Edgar Holtz, James Brennan & Joel Rosenbloom filed comments on examiner Horace Stern's initial decision which recommended that WHDH-TV be permitted to keep its grant (Vol. 15:39 p1). The lawyers no longer urge that the CP be taken away from WHDH-TV. Rather, they say they differ with Stern on the credibility of WHDH-TV witnesses and urge the Commission to examine the hearing record for the credibility factor. Then, they said, if FCC agrees with their adverse conclusions on that score, it should revoke the CP.

Sale of KSHO-TV (Ch. 13) Las Vegas for \$137,500 by Mervyn L. & Nathan Adelson and Irwin A. Molasky to Nevada Bcstrs. Fund was granted by the FCC last week. R. G. Jolley, pres. of radio KLAS Las Vegas, is pres. of Nevada Bcstrs. Fund.

Stations

TIO'S CORNERSTONES: Louis Hausman, director of the TV Information Office (TIO), revealed a little more about his concept of the philosophy of the all-industry information program which he will lead, in the keynote address to the Philadelphia convention last week of the Broadcasters' Promotion Assn.—a convention at which leading speakers put more stress than usual on public-service programming.

The "cornerstones" of TIO's information program, in Hausman's words: "(1) Admit when things are wrong. (2) Correct them. (3) Inform all the publics. (4) Defend our contributions actively." In this connection, he conceded that TV has broken faith with the public—and "no fingerpointing can excuse or mitigate our own lapses." He cited as the most disturbing aspect of the scandals the general public misunderstanding that disclosures involving a few shows "are somehow typical of the ethical conduct of the whole TV industry."

He cited the huge expenditures of time, money & effort on public-service programming as evidence of TV's responsibility & public interest. He urged the assembled promotion managers to "re-examine the amount of publicity—on & off the air—that you have been giving to the public affairs and other prestige portions of your station's schedule." He also suggested greater emphasis on non-broadcast community-service projects by broadcasters—for example, fighting juvenile delinquency by sending underprivileged children to summer camps.

* * *

Absolute program control by networks & stations was urged by Corinthian Bcstg. pres. C. Wrede Petersmeyer in an address to BPA. "If the quiz scandals have taught us anything," he said, "they have made it abundantly clear that the networks & stations must exercise full control over what is carried over their facilities, that they cannot delegate this responsibility to any other element in the program process—to the advertiser, the agency, to the program packager or producer. Such control is mandatory if they are going to be held accountable for what appears on the American TV screen."

Programming must continually be re-evaluated, he added, to determine how well it is fulfilling the needs of the nation & the community. As to public service programming and program promotion, he told the BPA audience: "I think it is time to readjust our sights. Networks & stations must . . . utilize the whole range of the TV schedule to inform the viewer of the whole range of TV programming . . . I propose, therefore, that as an industry, we adopt the policy of promoting non-entertainment programs in prime time, as well as in other periods." As examples on the network level, he cited the "impact" which would be created if Dinah Shore described an upcoming NBC Opera telecast, or if Ed Sullivan ran a 30-sec. film clip from a Leonard Bernstein telecast. He urged local stations to clear time for the important informational & cultural programs provided by networks.

The next BPA convention will be held Nov. 14-16, 1960, in New Orleans.

* * *

Gene Godt, sales promotion & adv. dir. of KYW-TV Cleveland, was elected Bcstrs. Promotion Association pres., the membership rejecting its nominating committee's candidate. Other officers elected (and included on the nominating

committee's slate): John F. Hurlbut, WFBM-TV Indianapolis, 1st v.p.; Donald B. Curran, KTVI St. Louis, 2nd v.p. Named to the board: Robert B. Cheyne, WHDH Boston; Mike Schaffer, WAVY-TV & WAVY Portsmouth, Va.; Dorothy Sanders, WLWD Dayton, O.; James H. Bowermaster, radio WMT Cedar Rapids; Dean Faulkner, KOA-TV Denver; Robert V. Freeland, KOTV Tulsa; Chuck Olson, WITI-TV Milwaukee.

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New labor-law trouble spots were indicated by NAB mgr. of broadcast personnel & economics Charles H. Tower in a luncheon address before the Federal Communications Bar Assn. in Washington last week. He pointed to Sec. 203 (A) (3) of the law and said: "This section requires reporting by an employer of expenditures made in any fiscal year, where an object of the expenditure is—and here I am paraphrasing the law—to commit an unfair labor practice. Willful violation of this section is punishable by fine or imprisonment. This section of the new law raises the possibility of a back-door criminal sanction for unfair labor practices. In my judgment, this was not intended by Congress, but there are possible interpretations of the section which could bring this unhappy & unwanted result . . . The employer finds himself legally obligated to file reports on money spent for the purpose of violating the law, although there is an exception regarding money paid to officers, supervisors, and employes for services performed in their regular capacities. In the wrong hands, this requirement, even with the exception, could cause employers all sorts of difficulties. I don't believe that those now entrusted with interpreting this phase of the law will misuse its provisions. On the other hand, management must be vigilant to make sure that proper application of the law is scrupulously observed."

Mild flurry of applications for new TV stations occurred when 4 were filed with FCC last week: For Ch. 12, Wilmington, Del., by multiple-owner Metropolitan Bcstg. Corp., which is buying radio WIP Philadelphia; for Ch. 3, San Angelo, Tex., by a group of Dallas businessmen headed by attorney Bedford S. Wynne; for educational Ch. 2, Vermillion, S.D., by the U. of S.D.; for commercial Ch. 62, Tacoma, Wash., by Tacoma School Dist. No. 10. Total on file is now 109 (15 uhf).

Allocations petitions filed with FCC last week: (1) Prospective applicant Atlas Bcstg. Co., seeking assignment of Ch. 13 to Grand Rapids, wants to swap Ch. 9 for Ch. 13 in Cadillac by moving Ch. 9 from Alpena and changing the educational assignment there from Ch. 11 to Ch. 13. The switch would require a show-cause order to WWTV (Ch. 13) Cadillac to shift to Ch. 9. (2) Blythe Telecasting Co., Blythe, Cal., wants Ch. 25 allocated there.

Award of Ch. 5 in Weston, W. Va. to WJPB-TV Inc. of Fairmont, W. Va. was finalized by FCC last week, upholding Examiner Jay A. Kyle's initial decision of last Sept. (Vol. 15:38 p6). At the same time, the Commission dismissed the competing application of off-air WENS (Ch. 22) Pittsburgh, which has entered merger agreement with WJPB-TV Inc.

Off-air KBMT (Ch. 31) Beaumont, Tex. was granted switch to Ch. 12 by the FCC last week. The grant was a reversal of examiner Charles J. French's decision of Aug. 11, 1958 which gave preference to Brown Telecasters Inc. (Vol. 15:30 p9).

RCA color TV tape recorder has been installed by WBAP-TV Fort Worth.

WJAR-TV purchase price refunded; The 11-month effort of William Zeckendorf & John C. Mullins to purchase The Outlet Co. dept. store and its WJAR-TV & WJAR Providence appeared to have hit dead end last week as a result of the court battle waged by station gen. mgr. Joseph S. (Dody) Sinclair, chief beneficiary of the Outlet stock trust. The Zeckendorf-Mullins 91065 Corp., through its escrow agent, the Industrial National Bank of Providence, made refunds to stockholders who had accepted its offer to purchase outstanding Outlet stock at \$120 a share (Vol. 14:49 et seq.) in a deal involving about \$12 million. Counsel Maurice Iserman for 91065 Corp. said, however: "We haven't quit. We are going to bring a suit. We are working on what kind of action will be taken." A spokesman for the bank said, however: "This matter is now a closed book." Sinclair told us that The Outlet Co. is now attempting to have its stock re-listed on the N.Y. Stock Exchange, which dropped its listing after 91065 Corp. had bought up so much of the stock that trading dwindled to virtually nothing.

To meet Boston's newspaper strike, emergency "teledition" newcasts were initiated by WBZ-TV last week. The station added 6 daily newcasts for a total of 15, tacked on an 11:15-11:30 p.m. news & sports wrap-up, and scheduled additional news reports during its Sat. football & Sun. movie telecasts. Promotion-minded WBZ-TV kicked off its "teleditions" by originating its 9-9:30 a.m. *Today At Home* from the station newsroom, putting the TV cameras on the news staff, and having news dir. "Dinny" Whitmarsh explain techniques & equipment used in news gathering & telecasting. The station signs off each newscast with a time-announcement of the next one.

Purchase of KTVT (Ch. 4) & KDYL Salt Lake City for \$3.1 million by Columbia Pictures Electronics Co.—CP's station-operating subsidiary—(Vol. 15:30 p10) was approved by FCC last week. The Commission said the grant is "without prejudice to whatever action Commission may deem appropriate in light of any determinations made in U.S. vs. Screen Gems Inc. and U.S. vs. Columbia Pictures Corp. et al., actions still pending in the U.S. Dist. Court for the Southern dist. of N.Y."—referring to the anti-trust case. Comr. Bartley dissented.

Standardization of 30-sec. TV-spot rate has been suggested by the Katz Agency to its client stations. To date, Katz reports, 75% have signified acceptance of the plan, which suggests that the 30-sec. rate, in station-break positions, be a combination of the 20-sec. plus the ID rate. Most reps apply this formula, we learned last spring (Vol. 15:18). "In all other instances, 30-sec. spots take the min. rate," Katz says. "In figuring frequency discounts & package plan rates, a 30-sec. spot counts as one announcement."

Reports that WTVR (Ch. 6) Richmond is being sold are "vicious rumors," according to pres. Wilbur M. Havens, who said he received 4 calls checking the reports last week. He said he has had 40 to 50 offers in the last 2 to 3 years. All prospective purchasers have been told the station is not for sale.

Maximum Service Telecasters' technical committee, headed by Henry Rhea, WFIL-TV Philadelphia, met in Washington last week, agreed to recommend a substantially increased engineering program for next year to the MST board when it meets in Washington Nov. 10. The projects weren't disclosed.

Switching to Ch. 13 from Ch. 15 on Friday the 13th of Nov., pioneer uhf outlet WVEC-TV Hampton-Norfolk, Va. becomes the Norfolk area's 3rd vhf station (Vol. 15:29 p11). At same time, WVEC-TV becomes an ABC-TV affiliate, replacing WAVY-TV (Ch. 10) Portsmouth-Norfolk, which takes over NBC-TV affiliation from WVEC-TV. The Ch. 13 installation is now on the air on an equipment-test basis. WTOV-TV (Ch. 27) Norfolk left the air and surrendered its CP last week under a merger agreement whereby its owners—former Ch. 13 applicants—received an interest in WVEC-TV. Departure of WTOV-TV reduces on-air total TV stations to 558 (84 uhf).

National TV week, Nov. 15-21, with the theme "Television . . . in Focus with Modern America," is being promoted by NAB primarily through a promotion kit sent to all stations, whether NAB or not. Electronic Industries Assn. (EIA) is not a sponsor this year, although some individual manufacturers are joining the campaign. NAB's kit includes a fact sheet, program & promotion ideas, suggested speech text for station personnel, news releases, on-air copy, list of national organizations which have been urged to support the campaign, a slide, newspaper mat, information on the NAB film titled "In Focus." The film is available to NAB members only, at \$55. No more rental prints are available.

Canadian Assn. of Bcstrs. leveled its criticism last week at new regulations for commercial TV operation (Vol. 15:31 pp1&10) proposed by the Dominion's Board of Broadcast Governors. The regulations were the subject of public hearings conducted by BBG (Vol. 15:43 p7) and are scheduled for announcement in final form this week (15). The CAB specifically blasted as a threat to Canadian TV proposals which would require that 55% of programming be Canadian in content or origin; that 2 hours of prime evening time (between 8-11 p.m.) be reserved for purposes prescribed by the BBG.

Rep-consolidation trend among station groups (Westinghouse Bestg. Co., for example, earlier this year created its own house TvAR, to handle business previously spread among several rep firms) is being followed by Corinthian stations. In the "near future," stated Corinthian pres. C. Wrede Petersmeyer, the company's 5 TV & 2 radio outlets will be represented by H-R Representatives and H-R TV Inc., which currently handles Corinthian's KXTV Sacramento. Other Corinthian outlets are presently repped by CBS-TV Spot Sales, Bolling Co., & Edward Petry Co.

Station Rate Increases

Station	Base Hour	Minute	Date
KIRO-TV Seattle	\$1100 to \$1200	\$230 to \$300	Oct. 1
WHBF-TV Rock Island ..	900 to 950	225 to 250	
WOC-TV Davenport, Ia.	900 to 950	225 to 250	Nov. 1
WPST-TV Miami	825 to 900	210 to 220 ¹	Sept. 15
WISC-TV Madison	550 to 750	110 to 200	Oct. 1
WSIS-TV Roanoke	675 to 725	160 to 190	Oct. 1
WLOS-TV Asheville	600 to 700	120 to 160	Oct. 1
WTRF-TV Wheeling	625 to 650	140 to 150	
KXJB Valley City, N.D.,	550 to 625	125 to 150	Oct. 1
WALA-TV Mobile	450 to 500	90 to 110	Oct. 1
KTSM-TV El Paso	375 to 450	90 to 100	Nov. 1
KNOE-TV Monroe, La. ..	400 to 450	80 to 90	Oct. 1
WJBF Augusta, Ga.	350 to 400	75 to 100	Nov. 1
WTVP Decatur, Ill.	350 to 400	70 to 80	
WABI-TV Bangor	375 to 400 ²	75 to 80	Aug. 15
KLFY-TV Lafayette, La.	250 to 300 ³	65 to 78	Aug. 1
KCSJ-TV Pueblo	225 to 250	45 to 60	Sept. 1

¹20 Sec. only, also has added Min. at \$250. ²Combination rate with WAGM-TV Presque Isle raised from \$500 to \$530 Hourly, \$100 to \$106 Min. ³New Class AA (7-10 p.m. daily) Class A hour from \$250 to \$275. Note: Class AA Min. for WAVE-TV Louisville is \$260, not \$250 as shown in Factbook No. 29. Also, spot rates for CHCH-TV Hamilton, Ont. include Class AA (5-8 p.m. Mon. Fri.) Min. \$225, 20 Sec. \$200, 8 Sec. \$95, Class A applying to 8-11:30 p.m. Mon.-Fri. & 5-11:30 p.m. Sat. & Sun.

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Personals: Alfred R. Stern, ex-NBC international dir., elected v.p., NBC's newly created Enterprises div., continuing as NBC International Ltd. bd. chmn. . . . Sven B. Karlen named CBS Inc. comptroller . . . Ward L. Quaal, v.p. & gen. mgr. of WGN Chicago, named chairman of NAB's 1959-60 labor relations advisory committee . . . Kenneth T. McDonald, ex-TvAR, named sales mgr., WBZ-TV Boston.

William D. Stiles, general manager of KLRJ-TV Las Vegas, elected v.p. for TV, Donrey Operating & Trading Co. Donrey TV properties: KLRJ-TV; KOLO-TV Reno; KFSA-TV Fort Smith, Ark.; KGNS-TV Laredo, Texas; CP for KNAC-TV Hot Springs, Ark. . . . Don Patton named program mgr., KHJ-TV Los Angeles; Larry Hays appointed program development dir.; Bill White, film & video tape mgr. . . . William G. Thompson Jr., ex-NBC-TV facilities operations dept., appointed WRCA-TV sales promotion mgr. . . . Ed Reynolds, ex-Ketchum, MacLeod & Grove adv., & formerly CBS radio press information, named CBS-TV press information asst. dir.

Lee Lovett, recently admitted to the District of Columbia bar, joins the TV-radio firm of his father, Eliot C. Lovett . . . Arthur Hertz named asst. comptroller, Wometco Enterprises (WTVJ Miami; WLOS-TV & WLOS Asheville, N.C.; controlling interest in WFGA-TV Jacksonville, Fla.) . . . James P. Smith named Eastern sales mgr., Adam Young reps.

Philip Beuth appointed promotion mgr., WTEN & radio WROW Albany, N.Y. . . . Joel H. Scheier, ex-WPTZ & radio WIRY Plattsburgh, N.Y., will represent Washington brokerage firm W. B. Grimes & Co. in Fla., at 2817 North East 32nd St., Fort Lauderdale . . . Robert L. Purcell, ex-John H. Mullaney consulting engineering firm, joins Silliman, Moffet & Rohrer, Washington, as an associate.

Communications scholarship to the U. of Ala. has been established by Henry Johnston, retired TV-radio veteran who now serves on the U.S. Information Agency's national TV-radio committee. Johnston formerly was pres. & gen. mgr. of WAPI-TV & WAPI Birmingham, founder & first pres. of the Ala. Bcstrs. Assn. Named for Johnston and his wife, the Louise & Henry Poellnitz Johnston Scholarship will be awarded annually to an Alabama student interested in the communications field. The initial award was made last week to Charles Caton, majoring in TV-radio.

Meetings next week: Academy of TV Arts & Sciences forum on international TV (Nov. 17), Y.M.W.H.A., Lexington Ave. at 92nd St., N.Y. . . . Cal. Bcstrs. Assn. (17), Ambassador Hotel, Los Angeles . . . Washington State Assn. of Bcstrs. & Oregon Assn. of Bcstrs. joint meeting (18), Olympic Hotel, Seattle . . . Maine Radio & TV Bcstrs. Assn. (18), Portland . . . Tenn. Bcstrs. Assn. (19-20), Jackson Hotel, Nashville . . . Also TvB (see below).

TvB's 5th anniversary will be celebrated at the Bureau's annual meeting in Chicago Nov. 18-20. Highlights will be a speech by FCC Chmn. John C. Doerfer and a new TvB presentation, "The Great Exponential," which "points up the need for converting non-customers to TV advertisers, and the need for acceleration of selling."

Print media took another crack at television with "We Turned TV Off for a Year!" in the Nov. 1 *This Week*, 13-million-circulation, Sunday-supplement in 42 newspapers. During the TV famine, the author notes, his youngsters developed new tastes, dusted off old talents; discipline improved; togetherness set in. The TV lights are on again now in the author's home, but with a 2-point "control formula"—the youngsters must request to view a specific TV show; the parents decide on its worthiness.

False Conelrad alert knocked radio stations in Michigan's Upper Peninsula off the air for 20 min. Nov. 5. "Somebody goofed," said Capt. Harry Scarborough, information officer at Truax AF base, Madison, Wis. "Someone sent out the alert last night without designating it as a practice test of the system. One thing about it though, we know now that it works."

Freedom of TV editorial opinion was exemplified by KMOX-TV & KMOX St. Louis last week when the CBS outlets went on the air the same night with opposite editorial views on the same local issue. KMOX-TV v.p.-gen. mgr. Gene Wilkey favored adoption of a plan calling for uniformity of rules & regulations among metropolitan St. Louis's 98 municipalities. KMOX v.p.-gen. mgr. Robert F. Hyland editorialized against the proposal.

WNBQ Chicago is promoting its daily TV weathercasts by sending novel thermometers to advertisers. The device is intended for mounting on the outside of a window pane to provide at-a-glance readings of outdoor temperatures—and to serve as a constant reminder that WNBQ's weathercasts have time for sale.

Proposal to outlaw subliminal commercials on TV will be aired at Cal. State Assembly hearings Dec. 17 in Los Angeles by the Assembly committee on governmental efficiency & economy.

Obituary

Rep. Alvin R. Bush (R-Pa.), 66, 3rd ranking minority member of the House Commerce Committee, died Nov. 5 at Williamsport hospital following a heart attack in his home at Muncy. He is survived by his widow, a son and daughter.

David W. Findlay, 39, merchandising & sales promotion mgr. of WDBJ-TV Roanoke, died Oct. 30 in the Piedmont Airlines plane crash, near Charlottesville, Va., which killed 26 of the 27 people aboard. Surviving are his widow and 4 daughters.

Shelby Gordon, 40, story editor for CBS-TV's *Conquest* science series, died Nov. 4 at Harkness Pavillion of Columbia Presbyterian Medical Center, N.Y., following a short illness. He is survived by his wife, parents and a brother.

Film & Tape

More about

HOLLYWOOD BLUES: Back in 1950, before TV film came of age, a standard half-hour telefilm cost about \$7,000 to produce. Today the average cost is almost \$50,000. That's a sample of the production cost spiral since Hollywood TV went big time. One 60-min. show, which cost about \$70,000 an episode only 2 years ago, now comes in for \$90,000 a segment (see p. 4).

It would be fallacious and an over-simplification to put the blame for Hollywood's TV ills solely on what the guilds & union demand. Top production executives we've talked to see the costliness also as a natural outcome of TV's growth. "When we first started, we could limit our half-hour shows to 4 or 5 sets and a few characters. Now the same show must have 12 sets and many more actors," commented one. "You can't point to any one item in our budget, and say 'This is the reason.' It's the entire situation. Because TV today is so competitive, and because sponsors seek more production values, it takes longer to shoot a picture. Where we could shoot a film in two 8-hour days a few years ago, we now need 30 hours. This means higher costs, usually including overtime, all along the line.

"Five years ago, our company shot 5 Westerns for a total cost of \$68,000; today each of these shows would cost \$38,000. Everything is more expensive. Today we have live music; 5 years ago we didn't. Five years ago we got every actor except the lead for \$80 a day. The lead got \$600. Today the supporting actors get \$150 to \$200 a day, sometimes higher—and that same leading actor gets \$3,000 a picture. We hired one good supporting actor recently at \$350 for a day's work. But by the time we finished the overtime, he received about \$750 for that day's work," he continued.

Production costs are usually categorized as below-the-line & above-the-line. The former costs cover the set, grips, prop men, electricians, all the non-creative aspects of a production. Above-the-line includes stars, cast, directors, writers. One executive estimated that below-the-line costs have increased more than 50% in the past 5 years. As for above-the-line, not only have star salaries increased considerably, but many own as much as 50% of their shows. The sponsor usually wants a name—and that usually requires a participation offer by the producing company.

Writer costs have increased, too, and the Writers Guild is seeking further increases as this is printed. Average story costs (original & teleplay) on a network series with a name star 3 years ago were \$1,500 to \$1,750. Today that cost is \$2,500 a show. The Writers Guild minimum is \$1,000—but few writers are available for minimum. Some ask—and get—as high as \$3,000.

The price of directors has gone up too—and good ones are difficult to find because of the heavy demand. Few directors of live TV have successfully made the transition to TV film. They are inexperienced with motion-picture-camera technique and are weak in directing exterior & action shots. Some executives believe it takes a live-TV director twice as long to do film as it should, and therefore won't hire them. One executive told us that 5 years ago 80% of the directors would work for minimum; today no more than 5% will. The director's minimum then was \$550 a show—today it's \$720—and it's more & more difficult to find a good one at that price.

Another factor contributing to present-day higher costs is that many shows (particular Westerns) go on

location—something unheard of in TV's infancy. Location shooting means \$1,500 to \$2,000 extra daily in production costs—for travel, food, wranglers and like expenses.

When Four Star Productions was formed in 1951, owners Dick Powell, David Niven and Charles Boyer starred in *Four Star Playhouse*, for which they received \$20,000 an episode from their sponsor. They spent additional \$10,000 on each segment to insure good quality. That made it one of the costlier series on TV at that time. The investment paid off richly in reruns of the series. Recently Four Star pres. Dick Powell told us that the same series today would cost \$20,000 more per episode to produce.

The higher production costs are going to make it much more difficult for a company to get rich on reruns, and there are some who think the entire residual potential has been vastly overrated. Said one production executive with a top company: "When the rerun market is saturated with negatives, a lot of people will get hurt. And this day is coming soon, particularly for Westerns—of which we've made many. If the Western craze ends, where will we companies be that have our vaults filled with them?" Other executives believe the syndication market will be depressed for some time to come because stations find it economically advantageous to show old movies.

While it doesn't affect the TV-film independents, the question of cutting talent guilds in on post-1948 movies sold to TV could affect the TV subsidiaries of the major studios. A thorny issue still unresolved, this remains one of the principal reasons for the impasse in negotiations between the majors and the Writers Guild. All the talent guilds want some assurance they will receive a cut of TV revenue from post-1948 movies. The majors thus far have shown no inclination to grant such assurance.

* * *

Edd (Kookie) Byrnes, one of the stars of Warner Bros.' *77 Sunset Strip* was ready to take a walk—and a suspension—last weekend. Dissatisfied with his present contract under which he earns about \$400 a week (Vol. 15: 44), Byrnes rejected as completely "inadequate" a Warner Bros. offer to readjust his contract. He then notified the studio that if it did not meet his demands by Nov. 6 (which it did not) he would not report for work. Inasmuch as Byrnes is WB's most popular star by mail measurement the situation presented a real problem for the studio. Warner Bros. already has one other TV star—Wayde Preston—on suspension. The star of *Colt .45* had asked release from his contract, expressing general dissatisfaction with his deal. Preston, whose contract had been re-adjusted recently to about \$400 a week, insisted he could do better elsewhere. When WB refused to release him, he took the suspension. He had starred in the first 9 segments, and Donald May is finishing the first cycle of 13 episodes as his replacement. Warner Bros. doesn't know whether the series will continue beyond then. It depends on sponsor reaction to May.

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Abraham Lincoln, through the medium of Brady photographs used in the new 30-min. telefilm series, *The American Civil War*, produced by Westinghouse Bcstg. Co., has achieved what amounts to star male lead in the 13-episode syndicated series. To get the point across, friends of WBC national program dir. Bill Kaland recently presented him in N.Y. with an "autographed" Brady portrait of the great emancipator, bearing the penned legend: "The pilot was a real gasser, but what about my residuals? Abe."

NEW YORK ROUNDUP

CBS News, now operating semi-autonomously, has joined the growing platoon of production firms making or planning Civil War TV series for 1960-61 airing. It has signed producer-writer Joseph Krungold to head the Civil War project, as yet untitled. Already in camp: Westinghouse Bestg. Co., which is producing a 13-episode, 30-min. Civil War series; and NBC-TV, which is planning one with producer-playwright Dore Schary.

MCA TV's *Coronado 9* has been sold in over 90 markets. The largest single regional buy is by Falstaff Brewing Co. for 67 markets. *Coronado 9* plus MCA's *Shotgun Slade* and *Johnny Midnight* have been slotted exclusively in prime evening time, film syndication div. v.p. David V. Sutton said last week.

Screen Gems will produce "for possible network sale" a new Western, *Oklahoma Run*, based on the opening of the Cherokee Strip in 1893. William Froug has been named producer and writer. Episodes will be taken from eyewitness accounts filed at Okla. State Historical Society.

United Artists Associated, in making deals with David Susskind's Talent Associates for live TV remakes of old Warner Bros. movies, has an eye on future TV distribution of video tapes of these specials. So does MGM in similar Susskind deals. Both firms are retaining eventual tape ownership & distribution rights to the Susskind-packaged shows ("Meet Me in St. Louis," "Mrs. Miniver," "Strawberry Blonde," etc.) although virtually all are also available in original feature-movie form.

Eastman Kodak Co. is dropping its processing facilities for 16-mm commercial Kodachrome, type 5268—a film often used until recently to shoot TV color-film commercials & programs—since it has now been virtually replaced in the film industry by the use of the improved (faster emulsion) Ektachrome type no. 7255 introduced in 1958. Stocks of the older film have now been almost exhausted, and demand for processing has dropped to the point where "it is no longer feasible" to handle it, said Kodak last week.

American telefilm packagers dominate foreign sales because of their person-to-person approach, Thailand TV producer-dir. Pichai Varnasong said in N.Y. last week. Varnasong, invited to N.Y. by ABC-TV pres. Oliver Treyz, is here to study TV programming & technical operations. He said that his station, HST-TV, programs American product exclusively, including *Disneyland*, *Mickey Spillane*, and *I Love Lucy*.

Gordon Crowe has joined Transfilm-Caravel Inc. as dir. of business program services . . . Berton Schneider has been named assistant to Jerome Hyams, v.p. & gen. mgr. of Screen Gems . . . Mort Zarcoff has been promoted to production coordinator, NTA's creative programming dept. . . . William H. Duryea has been named supervisor of operations, NTA telestudios.

Paramount Pictures and the U.S. Army Pictorial Center will produce, and make available for TV, a 30-min. film tracing the history of the American Flag. Titled "Old Glory," it will be shot in full animation for Defense Dept.

Ziv TV has signed Fred Hamilton as exec. producer in charge of program development. Hamilton has been dir. of film programs for NBC.

HOLLYWOOD ROUNDUP

Revue Productions, operating at capacity last week, filmed 19 shows at its Universal City lot . . . Alliance of TV Film Producers Assn. has re-elected Charles Fries pres. Other officers: Bernard Weitzman, v.p.; Manning O'Connor, secy.; Robert W. Stabler, treas. . . CBS TV Workshop has signed composer Buddy Bregman to debut as a producer with "The Song and Dance Man," 60-min. musical.

Producer Jess Oppenheimer is planning a comedy series about two press agents. Pilot of the series, untitled, will be financed by NBC . . . California National's *Pony Express* series is moving from Metro to Desilu Culver . . . Producer-director Arthur Lubin plans a series, *Miss Woo of Hong Kong*, created by Kevin Delaney . . . NBC has optioned 13 more episodes of *5 Fingers* from 20th-Fox TV.

Producer Hubbell Robinson Jr. will film "The Reb," a 60-min. show, at Revue studios, for his Ford series . . . Desilu Productions has assigned Devery Freeman to produce "The Desilu Revue" as the Christmas show for *Westinghouse Desilu Playhouse* . . . Harmon Productions has been formed by Debbie Reynolds to produce her 3 specials for ABC as well as movies.

Screen Gems last week signed 3 new independent production companies to create programs for them: Richard Alan Simmons, David Swift and a group called the Writers Company, consisting of Richard Murphy, Marion Hargrove, Ivan Goff, Ben Roberts, Liam O'Brien and Paul Harrison. The last named is producer for the company.

Warner Bros. TV producer Harry Tatelman (*The Alaskans*, *Sugarfoot*) resigned last week to join CBS-TV as a staff producer. He will also develop his own series there. Bert Dunne succeeds him at WB . . . Desilu film editor Bud Molin has resigned to join Blue Jay Productions . . . H. Grant Theis, CBS-TV dir. of West Coast operations, has resigned. The network is dividing his duties between James Heslen, as dir. of live operations, and a film operations dir. still to be named . . . George W. Faust has been named Western mgr. of CBS-TV production sales . . . Milton P. Kayle has been named business affairs mgr. of ITC. He will continue as ITC's resident counsel-asst. secretary . . . Jack Garrison has been named v.p. for the Middle West div. of NTA program sales.

Four Star TV is planning a rotating-stars anthology series, and is negotiating for 3 feminine stars for the property . . . Paramount Television has signed Tandem Productions to produce series. Owned by producer-director Bud Yorkin and producer writer Norman Lear, Tandem will produce 6 pilots, including *Henry T* and *Meet Me at Danny's* . . . Cayuga-CBS's *Twilight Zone* has finished production for the season.

Fenady-Kershner-Adams (*The Rebel*) and Goodson-Todman are preparing a new series, *Joaquin Murietta*, to star Perry Lopez . . . Producer Martin Manulis, writer Rod Serling and director Ralph Nelson will play themselves in "The Man in the Funny Suit," a *Desilu Playhouse* segment about Ed & Keenan Wynn and their behind-the-scenes relationship in "Requiem for a Heavyweight," on *Playhouse 90* some seasons back . . . NBC has renewed the contract of producer David Dortort of its *Bonanza* series . . . Desilu Productions resident counsel & asst. secy. Arthur Smith has resigned to join the legal dept. of the William Morris agency.

Writers Still in Ferment: The Writers Guild of America has had a busy week. It made progress with one set of negotiations by deftly skirting the crucial issues of post-1948 movies sold to TV & pay TV. A breach was reached in the Guild's strike vs. the movie independents when 5 production companies signed Guild contracts, but the deals sidestepped the key points by stipulating that a post-'48 format would become operative only if & when an overall industry pattern is achieved. Inasmuch as the major studios have flatly refused any concession on the post'48 & pay-TV demands, such a pattern isn't imminent.

The Guild, in a move to strengthen its negotiation position, held a membership meeting at which a strike against the majors was authorized, and an assessment of \$25 per member plus 2% of his earnings was approved for a strike fund. Any member who continues to work for a company being struck will be expelled, it was agreed.

As though it doesn't have sufficient problems, the Guild is already preparing for a new set of negotiations, with the networks, major-studio TV operations and the TV independents. In these areas, the Guild is expected to seek higher minimums & residuals.

Independent producers who signed with the Guild were Stanley Kramer Productions, the Mirisch Co., Harold Hecht Productions, Pennebaker Inc. and 7 Arts Productions. Highlights of the formula agreed upon in the 5-yr. contract: Producers recognize the principle of payments to unions & guilds on post-1948s; writers will get 5% of gross from TV receipts after deduction of distribution fees; no percentage payment will be made on movies until they have recouped their production cost; same percentage provision will apply to pay-TV showings of movies; a 30% hike in minimum pay; separation of rights for original material either sold or written under employment, whereby writer reopen contract in area of movies produced for pay TV. reopen contract in area of movies produced for pay TV.

While the Guild for the first time got a formula for post-1948s and won a reopening clause for pay-TV payments, the situation depends entirely on what, if any, concessions will be made by the majors. They heretofore have adamantly refused to budge on the crucial issues. The majors' attitude is that if they give a percentage of post-1948 revenue to each guild, there won't be enough left to make it worthwhile selling such movies to TV.

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AFM Hits Canned-Music Series: American Federation of Musicians, in an appeal to the union's 700 locals voiced last week by pres. Herman Kenin, has called for a boycott by AFM members of the products sold by sponsors of TV series, primarily film, that engage in what Kenin called "the growing practice of dubbing music made abroad at cut rates for use on so-called American-made shows." Taking note of the current trend toward quiz-inspired cleanups, Kenin termed dubbed music "a species of fraud."

Leading the list of series the union termed "unfair" was Four Star Television's 9: *Du Pont Show with June Allyson*, *The Rifleman*, *Richard Diamond—Private Detective*, *The Detectives*, *Johnny Ringo*, *Dick Powell's Zane Grey Theatre*, *Black Saddle*, *Tales of the Plainsmen*, and *Wanted—Dead or Alive*. Next came 7 from Ziv: *The Lockup*, *Bat Masterson*, *Sea Hunt*, *Tombstone Territory*, *Men Into Space*, *This Man Dawson*, *Man & the Challenge*.

Also listed: *Goldie* (Hutton Productions); *Death Valley Days* (Filmaster Productions); *Wichita Town* (Mirisch Co.-McCrea); *Lassie* (Jack Wrather).

Desilu for Sale? Reports were persistent in Hollywood last week that NTA is negotiating for the controlling stock interest in Desilu Productions, the company owned by Mr. & Mrs. Desi Arnaz. Miss Ball, the only Desilu principal who would say anything about this, acknowledged that NTA had made an offer "and there have been other offers," but added that she knew nothing of the status of the negotiations. When we asked Ely Landau in N.Y., the founder of NTA broke into howls of laughter. He said the reports were absolutely, totally, completely untrue, and besides he could never afford it.

The Hollywood reports say that conversations toward the sale were begun before Arnaz left the country recently, and that Desilu exec. v.p. Martin Leeds handled the negotiations. The deal, if concluded, would give NTA complete control of Desilu, including its Culver City and 2 Hollywood studios, and its entire backlog of film. Desilu acquired the RKO studios in Hollywood & Culver City in 1958, retaining ownership of Motion Picture Center studios, now called Desilu Cahuenga. Desilu was established in 1951 with the vastly successful *I Love Lucy*. At present it has 2 network series—*The Untouchables* & *Desilu Westinghouse Playhouse*—the latter recently having been cut back by the sponsor to an alternate-weeks show. Desilu also owns 50% of *The Ann Sothorn Show* and *The Texan*, 2 series syndicated by NTA—*Grand Jury* & *U.S. Marshal*. (Miss Ball also told us last week that she may appear on Broadway next season, leaving TV for the first time since 1951. "I'll miss it—look at all it's done for me," she added.)

Strengthening the reports of a Desilu-National Theatres deal (not, however, directly involving the NTA div. of National Theatres) was activity last week on Wall St. On Nov. 4, a total of 49,700 NT shares were traded on the NYSE, closing at 14. At the American Exchange, 9,100 Desilu shares were traded, closing at 16⅞. On Nov. 5, 29,000 NT shares changed hands, hitting a high of 14¼. Desilu activity involved 11,800 shares, closing at 17¼. In recent weeks, National Theatres stock has sold for about 11 and Desilu for about 14, so the market for both was obviously rising.

* * *

There were also reports that Metro is interested in buying the Hal Roach studios, in bankruptcy since Hal Roach Jr. and his associate, Alexander Guterman, became enmeshed in complex financial difficulties. Metro studio sources denied to us any interest in purchasing the Roach lot, but said they were exploring the possibility of renting space there because of increased production.

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FCC Quizzes Producers: Just how much networks & ad agencies get into the telefilm producers' picture was being determined last week in Hollywood by 2 FCC attorneys who were interviewing key production executives. Seeking to learn the extent of network control, FCC attorneys Ashbrook P. Bryant & James F. Tierney were minutely exploring various TV film operations in Hollywood. They wanted to know from the producers what happens when a pilot is made, and how the company goes about trying to make its sale. Producers were reluctant to discuss their conversations with the attorneys, because public hearings are due to be held on the subject eventually, either in Hollywood or Washington (Vol. 15:44 p10). Among those interviewed were 20th Century-Fox TV production chief Martin Manulis and Four Star Television pres. Dick Powell.

Trade Report

NOVEMBER 9, 1959

PAUL V. GALVIN—PIONEER & LEADER: Paul Vincent Galvin, who died Nov. 5 of leukemia at the age of 64, fit perfectly the American image of the self-made man, pioneer and leader. The career of the founder & chairman of Motorola paralleled the transition of the radio industry into the wide & still uncharted domain of electronics.

The company he founded in 1928 on a capital of \$565 with his brother Joseph (who died in 1944) now calls itself the world's largest exclusively electronics manufacturer, with sales this year in the \$250 million range. The original Galvin Mfg. Co., founded as a maker of battery eliminators for radios, switched over in the depression's depths to a new product—auto radios—and has continuously expanded in electronics.

Under Galvin's direction, in addition to the first practical car radio, Motorola introduced the wartime walkie-talkie, pioneered in microwave and marketed the first TV set selling for under \$200. Galvin's keen business acumen was developed early in life—he began at the age of 11 or 12 as a popcorn butcher in his native Harvard, Ill., and by the time he finished high school he had 3 other youths working for him.

One of most popular figures in industry, his judgment & leadership were universally respected. Unlike some other electronics industry chieftains, he was no prima donna—and his soft-spoken tactful manner served industry well when, as pres. of EIA (then RMA) from 1942 to 1944, one of his most ticklish jobs was obtaining quotas of critical materials for the industry. He was awarded the EIA medal of honor in 1956 and was an EIA director at the time of his death.

His pioneering ideas extended into field of human relations—Motorola is regarded as one of the highest-paying manufacturers in the electronics industry and has the 2nd largest employe profit-sharing plan in American industry. The company he founded is considered one of most vigorous in the industry, perhaps because of Galvin's penchant for surrounding himself with young executives who shared his youthful outlook & drive. One of these men, who grew up with the company and has been pres. of Motorola since 1956, is son Robert W. Galvin. [For additional background on Paul Galvin and Motorola, see p. 19.]

TV COMPONENTS TO BE PLENTIFUL INTO 1960: Shortage specter is stalking TV components industry, but it isn't wearing a steel shroud. Makers of resistors, transformers, antennas, etc. are far more concerned with impending shortages in orders than with dwindling steel.

Impact of continuing steel strike on TV-set makers will hit & hurt component industry sooner & harder than backlash from its own steel & copper supply problems, we were told by a cross-section of major manufacturers in the component & TV accessory field. Their unanimity of situation, opinion and forecast makes this clear: All have ample inventories to fill orders. All have sufficient metal on hand to carry production into 1960's first quarter. All wish their customers—TV-radio-stereo makers—had it so good.

Some TV set makers have expressed opinion that steel strike's first effects will be felt in shortages of components (Vol. 15:40 p14). It just isn't so, said the component people we interviewed last week. "Mr. Components," Sprague Electric Co. chmn. Robert C. Sprague, summed it up: "We're feeling no pain in production, shipments or sales."

The pinch obviously is on the other foot, in the view of component producers. Centralab pres. William S. Parsons put it succinctly: "If the set maker can't get sufficient steel for chassis, cabinets, etc., he won't have any need for components." There are some signs now that set makers are beginning to get their backs against supply walls. One components major told us of a TV manufacturer which discarded aluminum cabinets because they flunked impact test. "Let this strike squeeze on a little longer," our source said, "and this TV maker will forget about impact tests. He'll have to." General feeling in components field is that set makers are starting to breathe hard as steel stocks dwindle, that retail sales are down in strike-distress areas, and that distributors & dealers are buying all the TV sets they can get in anticipation of a shortage come Christmas time.

Set makers' worsening position is mirrored by cutbacks in component requirements. Head of one of the largest component firms told us he completed a survey of TV-set makers within the past month. They

advised him they will require 5% fewer components for balance of this year than estimated earlier. "As always," our source told us, "they're overly optimistic, and we're discounting their cutback by another 5%."

Our survey disclosed little evidence of an impending price rise in components hinted by set makers in our recent price study (Vol. 15:44 p17). None of component people with whom we spoke foresee a price change this year; most say they probably will absorb any modest hike in steel prices which may develop at strike's end. Muter Co. Pres. Leslie Muter is one who believes a price increase—ranging up to 5%—is necessary to cover increased labor & material costs. "Whether we will get such an increase in this highly competitive industry is another story," he added.

This has been a good components year. People we spoke with report sizable gains in both sales & earnings over 1958. Here are comments of various leaders we surveyed:

Centralab: Pres. William S. Parsons (Chairman of EIA parts div.) told us his firm will have no production problems at least for the balance of this year. "If the steel strike continues after the first of the year, there will be serious consequences for everyone." Although TV-radio components no longer represent Centralab's dominant activity, sales are expected to show a 10% increase over last year's.

Chicago Standard Transformer Corp.: Sufficient electrical & cold-rolled steel is on hand to carry transformer production well into 1960, sales mgr. P. N. Cook told us. "We can supply industry's needs, and our production schedule for Nov. is so loaded we'll have to push to turn them out." Sales of TV transformers are some 10-15% ahead of 1958's level.

JFD Electronics: Pres. Albert Finkel reports no materials pinch for TV antennas & antenna accessories. At the worst, he foresees production continuing at no less than 90% of capacity for balance of year. Sales & orders are running some 25-30% ahead of 1958 year-to-date. "We build 70-75% of the antennas for portable TVs for original equipment manufacturers, and we have noticed no letup or cutback in orders."

The Muter Co.: Pres. Leslie F. Muter told us Muter is in "good shape" on steel stock, and components production is moving according to schedule. Production & sales pretty much parallel TV-radio production, and "there are no signs of component stockpiling" by customers fearful of shortages, he said. Despite strike's effects, he sees 1959's final quarter as a good one, and states that problem is not Muter's ability to produce, but customers' ability to buy.

Radio Condensor Co.: Operations v.p. Russell E. Cramer Jr. reports sufficient materials on hand to continue TV-radio component production well into 1960. "If a steel shortage develops, it will come late, after the strike is settled, because large industries will get first call on steel production. Industries such as ours will have to continue as best we can." He termed 1959 "an outstanding year," reported sales to date 30-35% ahead of 1958, with profits up strongly. Looking ahead: "We can make set makers' needs—the question-mark is their position as the steel strike continues. We have ample steel for production of auto tuners, for example, but that industry is hurting, and it looks as if the demand for auto tuners will be zero by Jan."

Sprague Electric Co.: Chmn. Robert C. Sprague said that his firm "to date has not been adversely affected by the steel strike. The biggest impact will be on our customers. If they can't get steel for their products, they won't need our resistors, capacitors and the many other items we make." Re possible price rises in components: "I wish I could say yes, but I do not foresee one. We are controlled by our customers & our competition. We have no plans at this time for price increases."

Standard Coil Products: Pres. James O. Burke foresees no production problems for balance of year, will begin to "worry" after that date. "We are more concerned about the prospects of our customers if the strike continues another 60 days. Some smaller & medium-size customers already are reporting some difficulty and some have had to go into the gray market. So far as components are concerned, we can deliver more TV tuners than will be required for a long time." Reporting business "very good," he said Standard's sales of TV tuners are 50% ahead of last year.

TV-RADIO PRODUCTION: EIA statistics for week ended Oct. 30 (43rd week of 1959):

	Oct. 23-30	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	158,503	180,048	121,465	5,194,643	4,067,806
Total radio	456,028	459,861	306,977	12,719,882	8,904,772
auto radio	125,056	135,912	56,071	4,683,268	2,679,618

OCDM & Japanese Imports: Six manufacturers have filed comments thus far in OCDM's investigation into EIA's complaint that imports of Japanese transistors & other semiconductor devices are undermining the U.S. electronics industry's defense capacity (Vol. 15:40 p16). They are: Arvin Industries, Sylvania, CBS Electronics, Radio Development & Research Corp., Clevite, Tung-Sol. Deadline for comments is Nov. 13.

All stress to the Office of Civil & Defense Mobilization: (1) High U.S. labor costs as compared with Japanese (at least 5 times higher). (2) Possible curtailment of research & development projects because of reduced profits. The manufacturers also say they have intensified efforts to increase the mechanization of transistor & other semiconductor production facilities to reduce high-cost hand labor now required, but that automation techniques are some years away.

CBS Electronics div. pres. Arthur L. Chapman predicted that, by 1960, assuming no corrective action is taken, the "annual import rate from Japan alone will be 50 million transistor units in radio products or as separate units, which will probably constitute 40% of the U.S. market . . ." Radio Development & Research Corp. pres. Kensington R. Gerlach suggested that the U.S. Govt. invite the Japanese gov't. "to self-impose trade restrictions before . . . mandatory duties may totally exclude them from this increasing market." The Japanese gov't. recently announced that it plans to "control" shipments of transistor radios to the U.S. (Vol. 15:41 p18).

The U.S. electronics industry "faces the prospect of crippling damage by competition whose labor costs are about one-fifth of ours," EIA pres. David R. Hull told IRE's Mid-America Electronics Conference Nov. 4 in Kansas City. Noting that Japanese electronics sales in this country have largely been confined to the entertainment field, where they have captured 25% of the U.S. transistor radio market, he pointed out that the entertainment market "primarily has paid for the research & development programs which have been the industry's life-blood." Continuation of the rate of Japanese transistor imports, he said, will make it necessary for the American people to "rely upon foreign producers for equipment indispensable to their security."

World's population is served by more than 9,000 transmitters & 300 million receivers, according to a new UNESCO study, *Broadcasting Without Barriers*, by George A. Godding, U. of P. political science asst. prof. who has worked with the International Telecommunication Union in Geneva. But nearly 60% of the world's population have inadequate service, the study reports, due to uneven development of broadcasting in various regions, lack of agreement on international frequency distribution and lack of program exchange between countries. Godding notes that 60% of the world's transmitters and 80% of its receivers are concentrated in North America & Europe and says there's a need for 350 million additional receivers to assure a set per family for underdeveloped areas, particularly Africa & Asia. He urges that standardized low-cost receivers be designed & mass-produced for this market. The study is available at \$3 per copy from UNESCO publications center, 801 Third Ave., N.Y.; Columbia U. Press, 2960 Broadway, N.Y.; UN Bookshop, UN Bldg.

Folding "pocket phono," battery operated, will be introduced soon by Emerson—to be imported from Britain.

Galvin of Motorola: One of the industry's most popular figures, Paul V. Galvin, who died last week at St. Francis Hospital in Evanston, Ill. (see p. 17), believed firmly in electronics and guided his company down a strictly-electronics path, even when competitors were diversifying into broad white-goods lines & other products.

Instead, Motorola diversified into non-consumer electronics fields after World War II, achieving industry leadership in mobile communications, while the firm reached a top industry position in radio and later in stereo, and became one of the "Big 5" of TV. (Motorola did go into one non-electronic venture—an automobile heater working on a new principle, which flopped.) Although he was not an engineer, he stressed research, development & engineering.

A leading Catholic layman, he was made a Knight of Malta & a Knight of St. Gregory by Pope Pius XII. His funeral will be Mon. Nov. 9 with a requiem high mass at Chicago's Holy Name Cathedral. He is survived by his widow, Virginia, his son, Motorola pres. Robert W. Galvin, a sister, a brother and 4 grandchildren.

First Mexican receiving tubes were produced in Sept. by Dispositivos Electronicos, S. A., the U.S. Embassy in Mexico reports. The company says that "a few thousand" miniature, 12-volt units were turned out in Sept. It predicts an output of 11,000 a week "soon," with a 100,000 per week goal for 1960. The embassy says that this production would satisfy most of the domestic demand. It also states that qualified observers report the factory is the most modern of its kind in the Western hemisphere outside the U.S. It is U.S.-equipped; supervisory personnel and some technicians were trained in this country. A large unidentified U.S. manufacturer is providing technical assistance on a continuing basis. The plant employs 100.

Philco's 4th quarter picture is cloudy because of the steel strike, pres. James M. Skinner said last week. But earnings for the first 9 months (Vol. 15:44 p21) already have topped 1958's total earnings. Although the firm's steel stocks are "still pretty good," with probably enough to keep producing until Dec., the strike's "cumulative effect on the economy [raises] the possibility that we won't be able to sell what we produce," he added. He anticipates that steel's shortage will be felt through the first quarter of 1960, but said "every indication is that we'll do better next year than in 1959." Skinner stated Philco will spend about \$7 million on capital building projects this year, probably \$14 million in 1960.

Development of printed circuits was commemorated in a special ceremony in Washington Nov. 6 at which EIA pres. David R. Hull was presented the 100-millionth Packaged Electronic Circuit (PEC) produced by printed-circuit pioneer Centralab div. of Globe-Union. In making the presentation before 150 representatives of the electronics industry and gov't. officials, Centralab pres. W. S. Parsons recalled the development of the first printed circuit during World War II for the proximity fuze—a project considered "the second most important military secret," surpassed only by the atomic bomb. Hull plans to present the 100-millionth PEC to the Smithsonian Institution.

Color picture-tube production schedules are being "substantially increased" by RCA electron tube div. "to keep pace with the growing demand for color TV receivers," tube div. gen. mgr. D. Y. Smith announced last week.

Trade Personals: Elwood Reeves promoted from West Coast operations mgr., Magnavox, to TV-radio div. v.p. & sales mgr.; George Fezell named merchandise v.p. & special accounts mgr. . . . P. J. Casella, RCA consumer products exec. v.p., adds responsibility for RCA Distributing Corp. to his other duties, now reports direct to pres. John L. Burns . . . Robert A. Franklin appointed engineering mgr., Stromberg-Carlson . . . E. W. Riedweg promoted from plant engineering mgr. to gen. plant engineer, RCA Victor Home Instrument mgr. operations, Cambridge, O. . . . Richard B. Dreazen promoted from v.p. to pres., distributor Olympic of N.J. . . . Ben Snyder, Snyder Mfg. pres., is now on a trip around the world with Mrs. Snyder, surveying marketing conditions for Snyder International.

Robert L. Adams appointed gen. mgr. of P. R. Mallory's new electronics div. . . . Carl B. Fryklund, ex-Warwick Mfg. Co., named regional applications engineering supervisor, Raytheon semiconductor div. . . . John A. Cannon, ex-Denver, Colo., management consultant, named Stromberg-Carlson mktg. research dir. . . . Frank Cole named parts & materials engineering mgr., GE radio receiver dept.

J. Gerald Mayer, General Instrument v.p. & pres. of its Radio Receptor subsidiary, will head GI's new Defense & Engineering Products Group, which will combine the engineering, production & research facilities of the company's 6 major plants engaged in defense work; Rear Adm. Richard S. Mandelkorn (USN-Ret.), ex-Lansdale Tube Co. (Philco) dir. of planning and now exec. v.p. of GI subsidiary Harris Transducer Corp., will work with Mayer.

R. Edward Lawrence named industrial tubes & semi-conductors merchandising mgr., RCA electron tube div. distributor products dept. . . . Edwin M. Hinsdale named chief engineer, RCA communications products dept. . . . Dr. Lloyd P. Smith, ex-pres., Avco research & advanced development div. of Avco Mfg. Corp., named research operations dir., Ford Motor Co. aeronutronic div.

Richard L. Paullus, mgr. of Western Electronic Mfrs. Assn. (WEMA) Jan. 1. becomes electronics research officer of Electronics Investment Management Corp., the investment managing firm for Charles E. Salik's San Diego-based Electronics Investment Corp. and Electronics Capital Corp.; Paullus will headquarter in Los Angeles. . . . Robert K. Miller, ex-pres. of Siegler's Holly-General div., named a Siegler v.p. . . . John R. Quinn promoted from Eitel-McCullough customer services dept. mgr. to mktg. operations mgr. . . . Walter Brehm promoted to sales & customer relations dir., Page Communications Engineers, Washington . . . Robert W. Armstrong, ex-managing editor of McGraw-Hill's *Electrical Merchandising*, promoted from PR mgr., RCA Whirlpool sales dept. to PR gen. mgr. for the company . . . Robert Johnston promoted from Fairchild Publications Philadelphia bureau chief to city editor of Fairchild's *Home Furnishings Daily*, succeeding James Antone, who becomes head of all Fairchild copy desks.

Export privileges of Ro-Nard Inc., N. Y., have been restored by the Commerce Dept.'s Bureau of Foreign Commerce following a temporary suspension for alleged defiance of regulations for shipping electronic materials from the U.S. (Vol. 15:44 p20). "Violations had been committed," the Bureau said, but investigation of the case showed that all of the respondents—Ro-Nard, its employe Mrs. Lily S. S. Wolfenson and Alberto Azar of Montevideo, Uruguay—"had not been involved in the arrangement."

Sylvania will introduce its first-half 1960 sales plans to distributors in a series of one-day meetings to be held in distributor home cities between Dec. 15 & Jan. 4, pres. Robert L. Shaw announced last week. The individual distributor meetings will replace Sylvania's usual Florida-staged mid-winter sales convention. Shaw said that "Sylvania's 23-in. line for 1960 has had tremendous acceptance by dealers & consumers and it is our intention to continue this line through June without change. Factory sales are 50% greater than a year ago. We plan only to round out the line by the addition of 3 remote-controlled 23-in. models."

TV-set production has been discontinued by Sylvania Electric (Canada) Ltd., Sylvania pres. Robert E. Lewis announced last week. The Canadian subsidiary, he said, will concentrate on the fields of lighting and other products not in consumer electronics fields. A study of the Canadian market has indicated that "the public is purchasing about 400,000 TV sets a year, while the company has a production capacity for 3 times that amount," Lewis said. "The outlook for the next 10 years does not indicate a sharp upturn in consumer demand for TV sets."

RCA's 40th anniversary was marked with a special 40-page color supplement to Nov. 1 *N.Y. Herald Tribune*, featuring articles about RCA's history, research, defense electronics, color TV, ETV, impact of TV, home electronics servicing, home entertainment, TV tape recording, small business & RCA, tubes & transistors, medical electronics, micro-miniaturization, computers, RCA Institutes, RCA Communications, etc., and ads by RCA divs. & suppliers.

GE will start construction this year of a \$14-million space-technology center on a 130-acre tract in Valley Forge, Pa. The completed facility will provide some 500,000 feet of floor space and employment for 5,000, including 780 engineers & scientists. The first construction phase will be completed in 1961 and the balance of the planned buildings will be erected in 1962-63.

Stromberg-Carlson has "no intention" of re-entering the TV-manufacturing business, pres. Robert C. Tait of the General Dynamics subsidiary told us last week in commenting on a report featured prominently in the trade press. Stromberg-Carlson, which quit TV production in 1956 (Vol. 12:4, 14, 31), has recently increased its consumer-products activities with a new line of "packaged component" stereo.

Negotiations for the purchase of IDEA Inc. by Conley Electronics Inc., Chicago, have been discontinued. Late last summer, the acquisition of the Indianapolis radio manufacturer seemed virtually a certainty (Vol. 15:35 p16), but a "technicality" has blocked the deal, according to Conley chmn. Edgar N. Greenebaum Jr.

Symphonic Electronics, N.Y. manufacturer of phonos & radios, is diversifying through purchase of Airnado Inc., maker of portable room coolers. Symphonic treas. Howard A. Jacobs will be pres. of the new Airnado subsidiary, succeeding James Simpson, who becomes Airnado gen. mgr.

Low-priced FM-only radio was announced last week by Zenith. The table set—named the Major—is permeability tuned, has 4-in. speaker, line-cord antenna, provision for outside antenna. It carries no suggested list price, but it's understood to be aimed at the below-\$40 market.

Two-way mobile radio business of Avia Products Co., Los Angeles, has been purchased by Du Mont Labs. Avia specializes in transmitter-receiver units for motorcycles, in-plant vehicles and open outdoor vehicles.

Finance

More Zenith Records: Zenith's net earnings & sales for both the 3-month & 9-month periods ended Sept. 30 established new records, chmn. Hugh Robertson announced last week. Net earnings for the 9 months were 42% over the comparable 1958 period, while the quarter's earnings were 25% ahead of last year. Nine-month sales were 37% higher than the record established last year, while 3rd-quarter sales were 29% over the year-ago figure.

Robertson said Zenith "obtained a 15%-larger share of the total TV industry volume" during the 9-month period as compared with the same 1958 period, "and further strengthened its hold on first position in the TV receiver industry." He said that unit factory shipments of TV sets for the period were 42% ahead of the same period last year, transistor portable radio sales 35% ahead, stereo "substantially ahead."

"The company has scheduled production for Nov., Dec. & Jan. substantially higher than any previous comparable months," he added, "and anticipates that its steel supplies will be adequate to produce these increased schedules." The report for 9 months ended Sept. 30:

	1959	1958
Sales	\$175,990,037	\$128,119,289
Net earnings	9,319,921	6,537,561
Earned per share	3.15	2.21
Shares outstanding ('59)	2,954,784	2,954,784
For 3 months ended Sept. 30:		
Sales	\$69,127,237	\$53,648,783
Net earnings	4,418,200	3,547,877
Earned per share	1.49	1.20

General Telephone & Electronics revenues topped \$1 billion in the 12 months ended Sept. 30 for the first time in any such period. For calendar 1959, chmn. Donald C. Power foresees gross revenues of about \$1.1 billion and earnings of \$70-\$72 million. He said Sylvania will have a very good year, and predicted 1960 GT&E gross "in the area of \$1.2 billion and net income of some \$80 million plus." Including Sylvania operations for all periods and for comparison purposes, GT&E made this report for the 9 months ended Sept. 30:

	1959	1958
Total revenues	\$772,583,000	\$641,368,000
Mfg. net sales	496,001,000	405,518,000
Net income	51,253,000	42,212,000
Earned per share	2.47	2.22
Average shares	20,475,000	18,767,000
For 12 months ended Sept. 30:		
Total revenues	\$1,016,679,000	\$861,395,000
Mfg. net sales	653,280,000	549,395,000
Net income	67,805,000	58,111,000
Earned per share	3.32	3.07
Average shares	20,167,000	18,673,000

Clevite Corp. sales & earnings gained appreciably in the quarter ended Sept. 30, with income for the 9 months ended that date reaching a total more than double that of the same period of 1958. Chmn. James M. Myers & pres. William G. Laffer said the improved performance mirrors advances of approximately 35% in both sales & earnings of Clevite electronic products. Gains in sales of semiconductors were particularly strong. For 9 months ended Sept. 30:

	1959	1958
Sales & other revenues ..	\$62,448,415	\$46,921,553
Net income	4,811,654	2,116,792
Earned per share	2.51	1.08
Shares outstanding	1,854,152	1,807,152
For the quarter ended Sept. 30:		
Sales & other revenues ..	\$19,651,000	\$15,047,810
Net income	1,414,000	931,000
Earned per share	73¢	49¢

Consolidated Electrodynamics, which plans to merge with Bell & Howell (Vol. 15:44 p23), continued its comeback from 1958's losses by racking up healthy sales & earnings gains in the quarter ended Sept. 30. For the 9 months ended Sept. 30:

	1959	1958
Net sales	\$31,618,306	\$24,191,673
Net income (loss in '58) .	1,381,740	847,338
Earned per share	1.29	—
Shares outstanding	1,068,229	1,063,786
For the quarter ended Sept. 30:		
Net sales	\$10,482,728	\$8,809,000
Net income (loss in '58) .	522,896	498,956
Earned per share	49¢	—

Gabriel Co. sales & earnings increased in the 3rd quarter ended Sept. 30, pushing the levels for the 9 months ended that date well above those for the first 3 quarters of 1958, pres. John H. Briggs reported last week. For 3 months ended Sept. 30:

	1959	1958
Sales	\$7,206,659	\$5,824,414
Net profit	106,022	104,832
Earned per share	15¢	15¢
Shares outstanding	675,838	661,038
For 9 months ended Sept. 30:		
Sales	\$21,760,115	\$15,954,345
Net profit	578,837	229,962
Earned per share	84¢	33¢

Arvin Industries reports substantial increases in sales & profits for first 9 months & 3rd quarter of 1959. For 9 months ended Sept. 30:

	1959	1958
Net sales	\$50,603,330	\$35,875,018
Net profit	1,686,451	569,536
Earned per share	1.49	63¢
Shares outstanding	1,129,659	899,025
For 3 months ended Sept. 30:		
Net sales	\$18,487,559	\$13,100,096
Net profit	591,367	278,777
Earned per share	52¢	31¢

Speer Carbon Co. nearly doubled earnings on a sharp sales increase during the first 9 months of 1959, compared with the N.Y. components maker's year-ago performance. For 9 months ended Sept. 30:

	1959	1958
Sales	\$17,474,065	\$11,527,508
Net earnings	1,553,938	795,498
Earned per share	1.74	88¢

Muter Co. scored healthy gains in sales & earnings for the 9 months ended Sept. 30:

	1959	1958
Net sales	\$9,690,656	\$8,659,037
Net income	237,211	189,801
Earned per share	30¢	24¢
Shares outstanding	800,313	762,729

Reports & comments available: Sylvania, prospectus, Paine, Webber, Jackson & Curtis, 25 Broad St., N.Y. 4 . . . RCA, report, Eastman Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . Shell Electronics Mfg. Co., prospectus, Schweickart & Co., 150 N. Franklin St., Hempstead, L.I., N.Y. . . . GE, review, Schwabacher & Co., 100 Montgomery St., San Francisco 4 . . . Amphenol-Borg Electronics, report, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . Pacific Mercury Electronics, analysis, A. C. Allyn & Co., 44 Wall St. N.Y. 5 . . . General Precision Equipment, analysis, F. P. Ristine & Co., 50 Broadway, N.Y. 4 . . . Zenith and Philips Electronics, reviews, Hayden, Stone & Co., 25 Broad St., N.Y. 4.

Corporation	Common Stock Dividends			Stk. of Record
	Period	Amt.	Payable	
Dynamics Corp.	SA	\$0.50	Dec. 31	Dec. 15
Gen. Instrument Corp.				
Gen. Precision Equip.	—	.25	Dec. 15	Nov. 30
Gen. Tel. & Electronics	Q	.55	Dec. 31	Nov. 23
I-T-E	Q	.45	Dec. 1	Nov. 13
TV-Electronics Fund..	—	.71	Nov. 30	Nov. 2

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

Allied Artists. Alhert Zugsmith bought 5,900, held 102,000.
 Ampex. Murray Innes Jr. sold 1,000, held 4,000 personally, 1,667 in trusts.
 Arvin. Orphie R. Bridges bought 1,125, held 1,125.
 Avco. Victor Emanuel sold 17,000, held 51,033. A. R. Kantrowitz bought 25,000, sold 19,200, held 16,000. Arthur E. Rasmussen exercised option to buy 6,500, held 7,538.
 Beckman Instruments. R. Erickson bought 300, held 800.
 Corning Glass. Howard C. Sheperd bought 100, held 350. R. Lee Waterman sold 400, held 700.
 Emerson Electric. Charles G. Gullledge bought 100, held 613.
 Emerson Radio. Harold Goldberg sold 400, held 1,268. A. A. Vogel sold 1,000, held 200.
 GE. Lemuel R. Boulware bought 2,250, held 13,500. George E. Burens bought 2,700, held 8,100. Lewis J. Burger bought 125, exercised option to buy 435, held 2,627. William Rogers Herod exercised option to buy 3,568, held 11,544. George F. Metcalf bought 1,020, held 3,142 personally, 124 in profit sharing plan. Gerald L. Philippe exercised option to buy 2,588, held 8,812 personally, 600 as custodian. Carter L. Redd exercised option to buy 450, held 3,205 personally, 8 through wife, 542 through son, 1,350 in trusts. Chauncey Guy Suits exercised option to buy 2,481, held 9,117. Arthur F. Vinson exercised option to buy 4,209, held 12,011 personally, 810 as custodian. Glenn B. Warren used option to buy 7,636, held 10,412. N. L. Whitecotton bought 285, held 2,598.
 General Telephone & Electronics. Harold V. Bozell received 285 on conversion of debentures, held 1,395.
 General Tire & Rubber. E. Willard Lutz sold 100, held none. John E. Powers bought 600, held 2,617.
 Hoffman Electronics. Bruce L. Birchard exercised option to buy 300, held 1,500. M. E. Paradise sold 1,000, held 5,666.
 IBM. John J. Bricker sold 275, held 816.
 ITT. Arthur M. Hill bought 1,000, held 13,500. Charles D. Hilles Jr. bought 5,000, held 16,232.
 Lear. Andres F. Haiduck sold 6,644, held 5,000. William P. Lear bought 5,000, held 444,767. Glen C. Warman sold 600, held none.
 Litton Industries. Charles R. Abrams Jr. sold 200, held 3,000. Charles B. Thornton sold 2,900, bought 45 through partnership, held 122,363 personally, 12,269 in partnership.
 National Union. Harry E. Collin sold 26,500 privately, held 150,000. Joseph V. McKee Jr. bought 20,000, held 22,200.
 Packard-Bell. John H. Sawyer exercised option to buy 300, held 510.
 RCA. Elmer W. Engstrom exercised option to buy 500, held 2,593.
 Vincent deP. Goubeau exercised option to buy 600, held 1,076. Joseph M. Hertzberg exercised option to sell 114, held 16.
 Raytheon. Ray C. Ellis sold 200, held 2,041. Richard E. Krafve bought 1,000, held 1,000.
 Reeves Soundcraft. Frank B. Rogers Jr. bought 21,000, held 26,260. H. S. Woodbridge sold 900, held 700.
 Servomechanisms. William W. Shannon sold 3,000 privately, held 81,585 personally, 53,665 in trusts.
 Siegler Corp. John G. Brooks used option to buy 2,000, held 29,929.
 Texas Instruments. Bryan F. Smith sold 900, held 12,569 personally, 159 in trust. E. O. Vetter exercised option to buy 3,000, held 7,888.
 Thompson Ramo Woolridge. John H. Kerr bought 100, held 100.
 Westinghouse. Mark W. Cresap Jr. sold 299, held 3,500. Thomas P. Jones exercised option to buy 125, held 324.

Globe-Union Inc. reports increases in sales & earnings for the 9 months ended Sept. 30:

	1959	1958
Net sales	\$46,117,251	\$41,043,507
Net income	1,414,597	845,694
Earned per share	1.70	1.02
Shares outstanding	830,048	824,910

Topp Industries Corp. has granted shareholders rights to purchase one share of common at \$17 each for each 2 shares presently held. Shareholders of record Oct. 28 will receive one non-voting warrant for each share held which will be exercisable from April 1 to Nov. 15, 1960. Delaware-based TIC also acquired Cal.-based Topp Industries Inc., currently has outstanding 957,042 shares of \$1 par common, with 6 million shares authorized.

Television-Electronics Fund Inc., open-end investment company, has proposed a 2-for-1 stock split, subject to vote at the Jan. 21 annual meeting. The Fund's net assets Oct. 30 totaled \$308,007,835, equal to \$15.86 a share.

Technicolor Inc. had a net loss of \$40,534 for the 40 weeks ended Oct. 3, compared with a net income of \$517,536 (26¢ a share) racked up in the same 1958 period.

Decca Records Inc. more than doubled its net income in the 9 months ended Sept. 30 to \$911,620 (60¢ a share) from \$394,260 (26¢) in the year-ago period.

Jerrold Electronics reports record sales & earnings for its fiscal first half ended Aug. 31, with profits for the 6-month period exceeding those of the entire fiscal year ended Feb. 28, 1959. The net income for the recent half-year period includes non-recurring income of \$284,240 (23¢ a share) representing the profit on the sale of the Key West, Fla. community-antenna system. Pres. Milton J. Shapp pointed out that Jerrold's 9 community-antenna systems served about 30,000 subscribers Aug. 31, an increase of more than 15% in a year. Jerrold's newest product, the TV-FM Receptor, an indoor antenna which slides over the electric cord, is now being produced at a rate of about 9,000 a day. Shapp said company may acquire a test-instrument manufacturer in its expansion program. For 6 months to Aug. 31:

	1959	1958
Sales & services	\$3,723,000	\$3,214,000
Net income	540,544	57,182
Earned per share	44¢	5¢

Muntz TV Inc. sales soared 66% and earnings increased 18-fold in the fiscal year ended Aug. 31, chmn. Floyd G. Dana reported last week. Calling fiscal 1959 one of the firm's most successful years, he said that Sept. earnings were \$124,858 on \$1,022,189 sales and that Oct. sales topped those of Sept. Muntz is devoting 90% of its production to TV receivers, he said. Hi-fi & stereo production make up the balance. During the coming year, the firm plans to double its production capacity. For the fiscal year ended Aug. 31:

	1959	1958
Sales	\$6,728,906	\$4,057,891
Net income	420,894	23,468
Earned per share	36¢	2¢
Shares outstanding	1,165,376	1,115,367

Du Mont Labs has turned the profit corner, pres. D. T. Schultz reported last week. For 16 weeks ended Oct. 11, the company had a profit of \$148,426 on sales of \$5,482,681. For the first 40 weeks of the year, the profit was \$30,754 on sales of \$14,726,117. The profits were not subject to federal income tax because of the company's tax loss carry-forward. No comparisons with 1958 were given, Schultz said, because "during the final half of last year substantial write-offs were taken as a result of the discontinuance of the company's consumer TV set & picture-tube businesses."

Admiral Corp. income statement for 3 months ended Sept. 30 (for 9-month report see Vol. 15:44 p21):

	1959	1958
Net sales	\$54,954,448	\$46,491,305
Net income	1,009,958	1,354,434
Earned per share	42¢	57¢
Shares outstanding	2,390,196	2,367,376

General Bronze reports substantial gains in sales & earnings for the 9 months ended Sept. 30:

	1959	1958
Net sales	\$27,254,584	\$18,436,429
Net income	655,253	384,104
Earned per share	1.71	1.01
Shares outstanding	383,937	380,377

Sylvania's \$25-million block of 5 1/2% debentures (Vol. 15:44 p23) was oversubscribed shortly after going on the market Nov. 4. Priced at par, the sinking fund securities were quoted the same day at prices from 101.5 to 102.25.

Aerovox Corp. profit soared to \$505,000 on sales of \$17,079,000 for the 9 months ended Sept. 30, compared with \$155,000 earned in \$12,616,000 sales in the same 1958 period.

International Rectifier Corp. reports net income of \$271,283 (25¢ a share) for the quarter ended Sept. 30, up from \$200,137 (18¢) for the year-ago quarter.

Educational Television

ETV Teacher Hunt: Pressing its dragnet for gifted teachers to star in its \$7-million airborne ETV project (Vol. 15:42 pp3&12), the Midwest Council on Airborne TV Instruction (MCATI) last week appointed Dr. John W. Taylor national coordinator for its talent hunt (Vol. 15:43 p20) and blue-printed a program to have cast & courses assembled for video-taping by July 1. Taylor is also exec. dir. of the Chicago ETV Assn., which owns educational WTTW.

MCATI last week also requested ETV stations, chief state school officers, and school superintendents throughout the nation to submit by Dec. 1 nominations of superior teachers in their localities. The nominees will be screened shortly thereafter by a still-to-be-established panel of educators. Selected teachers will be given contracts and assembled around Feb. 15 at the project's Purdue U. control center to work with MCATI producers in the preparation & format of program courses. Participation in the program will necessitate a 12-to-18-month leave of absence from school duties, a MCATI spokesman told us, and the Council is currently working out a compensation plan for the selected teachers. MCATI will provide a pre-packaged program for each course—shooting script & necessary props—to enable local ETV stations to tape courses for MCATI teachers in their areas.

New NAEB constitution, approved at the Oct. 26-30 Detroit convention, provides for full-time paid offices of pres. and administrative v.p., and abolishes the positions of exec. dir. and associate dir. Dr. Harry J. Skornia and Harold E. Hill will become pres. and administrative v.p., respectively, effective Jan. 1, 1960. The 18-member board of directors will consist of a 6-member (one from each NAEB region) TV board with members to be regular employes of active NAEB member institutions that operate ETV stations. The same rule applies to the 6-member radio board. The remaining 6 board members will be an individual member director, 4 directors-at-large and the pres.

New ETV research grants of govt. funds under Title VII of the National Defense Education Act are scheduled to be awarded this month by U.S. Education Comr. Lawrence G. Derthick. They'll be picked from among 82 audio-visual project applications—3rd batch since the Federal program got under way early this year (Vol. 15:22 p11)—which have been screened by a special Office of Education advisory committee. Nearly ½ of the applications were for studies by state & local educational organizations and private agencies in school uses of TV. Tentative deadline for the next batch of applications in the program, financed by a fiscal 1960 appropriation of \$3 million: Feb. 1, 1960.

ETV films produced by TV-less U. of Mich. are now being carried weekly by one ETV (KQED San Francisco) & 21 commercial TV stations from coast to coast, bestg. dir. Garnet R. Garrison reports. The U. furnishes the films gratis to Mich. stations (10), charges out-of-state outlets a service fee. Last year, 36 TV stations in 25 states telecast 1,669 U. of Mich. TV programs. Program subjects range from astronomy & art to speech correction & atomic fallout.

Two new teacher-education courses for credit are being televised on educational WHYI (Ch. 35) Philadelphia this year: *Teaching of Developmental Reading in the Secondary Schools* (which will be presented during faculty-meeting time) & *Teaching of Elementary School Arithmetic*.

Foreign

TV Taboo in S. Africa: Taking no chances on video's voodoo influence on kids & natives, South Africa has decided that TV is unwelcome & unwanted in the land of the Boers. The govt.'s posts & telegraphs minister, A. A. Hertzog, has announced that South Africa has no intention of introducing TV, because of its possible "destructive effects on children & the less developed races." Said he: "In the cinema parents are able to pick films for their children. This is impossible with TV."

Non-aggression pact between TV & newspaper interests in southwest Germany to protect the latter against "undermining" competition for ad dollars is reported by Britain's *Advertiser's Weekly*. Involved in the unusual cartel agreement are Southwest German Radio and a newspaper group comprising the Society of Southwest German Newspaper Publishers, the Rhineland-Palatinate State Assn. of German Newspaper Publishers and the Southwest German Newspaper Publishers' Assn. In exchange for the newspapers' pledge to support its commercial TV operation and oppose the introduction of others, Southwest German Radio, says *Advertiser's Weekly*, has agreed to limit commercials to weekdays and to schedule them only in conjunction with a program at least 24 min. long. It also agreed to set up a TV policy council of 4 TV & 4 publisher reps whose "job will be the enforcement of the agreement, consideration of Southwest German Radio's commercial TV rates, and consideration of the form which the commercial TV programs should take."

Britain's commercial TV has completed its 4th year of existence with some 7¼-million TV homes within range of its 8 operating stations. This contrasts with the audience of 190,000 homes in existence when the service was initiated on Sept. 22, 1955. During the past 12 months alone, commercial TV's overall audience increased by some 6 million viewers, to a total of more than 26 million, according to TV Audience Measurement Ltd. Monthly gross TV ad expenditures have increased nearly 10-fold, from slightly less than \$2 million in Oct. 1955 to more than \$15 million in Oct. 1958. Independent TV in its first full year (1956) recorded gross revenues of nearly \$39 million, compared with an estimated spending of some \$157 million this year.

Scandinavian TV is holding firm against the blandishments of advertisers. No form of advertising or commercial TV programming is "acceptable" to the Norwegian, Danish and Swedish broadcasting systems, they reiterated jointly at the recent Scandinavian radio conference. Norwegian Bcstg. Corp. governor Kaare Fostervoll said that the sole purpose of the TV service is to create the best possible programming, and advertising "can contribute nothing to this end." Scandinavian advertisers have warned that a delay in establishing commercial TV will bring such services in from outside sources.

Successful applicant for Rhodesia's commercial TV service is Rhodesia Television Ltd. (RTV), whose associates include TV-radio-newspaper magnate Roy Thompson (whose British-U.S. interests include Scottish TV Ltd. and the St. Petersburg, Fla. *Independent*) and the big Philips of Netherlands electronics combine. Among the unsuccessful applicants (Vol. 15:33 p6): NBC & 20th Century-Fox, which were teamed with 4 top British ITV program contractors as Central African TV. The commercial TV service is expected to debut late in 1960, in Salisbury. Coverage will be extended to Bulawayo in the 2nd year.

Auxiliary Services

Anti-trust trial of Jerrold Electronics Corp. starts Nov. 9 in Philadelphia Federal Court. The civil action, filed by Justice Dept. in Feb. 1957 (Vol. 13:7 p5), charges Jerrold with violating Sherman & Clayton acts by restricting competition in the sale of community antenna equipment. Among specific charges: (1) That Jerrold has forced CATV operators to buy all equipment from Jerrold or none at all and forced them to enter into service contracts as a condition of obtaining Jerrold equipment. (2) That Jerrold threatened to install competing CATV systems in localities where system operators proposed to use its competitors' equipment or refused to pay engineering fees. (3) That Jerrold threatened prospective CATV operators with patent infringement suits unless they brought Jerrold equipment exclusively. (4) That Jerrold's acquisition of 7 CATV systems constituted a monopolistic action. Jerrold has denied all charges. Govt. attorneys estimate the trial will last 3 or 4 weeks. Jerrold is represented by attorney Israel Packel.

Westbury Electronics, Westbury, N.Y. maker of CATV & master TV antenna systems, has been purchased by Intercontinental Electronics Inc., Mineola, N.Y. maker of air traffic-control devices, telecommunication systems and industrial electronics.

Pay TV's Cal. Hearing: The future of wired pay TV on the West Coast appeared dim following a hearing by the California State Assembly's interim committee on public utilities & corporations in Los Angeles last week. After hearing the testimony, state assemblyman Charles H. Wilson commented: "I think the public has been misled as to the nearness of this thing."

Most potent testimony came from William J. McLean of Pacific Telephone Co., who said that pay TV via telephone wires would be a multi-million-dollar undertaking which would take considerable time to develop. "We would have to build practically everything new," he said. At this point assemblyman Charles Chapel interjected: "We're talking about pie in the sky." The phone company executive nodded agreement.

Another witness, Manly W. Edwards, telephone & telegraph engineer for the California Public Utilities Commission, testified that he did anticipate that present telephone facilities would have to be doubled because engineers are working on a method to carry TV signals through ordinary telephone wires. This is in the future, however, he added.

Both Edwards and McLean said the telephone company would require a substantial bond or other guarantee from pay-TV companies before risking many millions of dollars on new installations.

PUC chief counsel William M. Bennett said that new legislation would be necessary before PUC could control pay TV inasmuch as it had been declared neither a telephone service nor a public utility by Cal. Supreme Court.

Committeemen were angered by Skiatron's failure to send a representative to the hearing, and threatened to subpoena Jerome Doff, Skiatron executive. Some said Doff's absence suggested he didn't want to answer questions.

Telemeter v.p. Chester I. Lappen explained his company's pay-TV system and said his firm would use leased wires. He denied that pay TV was a threat to free TV. Hal H. Schwartz of Angel Tollvision described his form as a voluntary, subscribed-in-advance pay television. It would advertise a proposed show and if enough indicated willingness to see it, it would be shown on regular channels, with the viewers who requested it being billed later.

Mrs. Fred S. Teasley, radio-TV chmn. of the Cal. Federation of Women's Clubs, stated that all divisions of her group (total membership 80,000) have expressed overwhelming opposition to pay TV. She said pay TV would eventually kill off free TV, and deprive millions of low-income families of the present service.

Proposed vhf booster rules were discussed by FCC again last week but no decision was reached, and they're due to come up again Nov. 18. Meanwhile, the Senate Commerce communications subcommittee scheduled hearings on boosters & CATV in Casper, Wyo., as an addition to those conducted by Sen. Pastore (D-R.I.) Oct. 26-30 in Helena, Mont., Idaho Falls, Ida., Salt Lake City & Denver (Vol. 15:44 p9). Sen. McGee (D-Wyo.) will preside.

TV guard for unattended apartment elevators in N.Y. apartment houses is under consideration, despite objections from some tenants that TV is a poor substitute for an attendant in the event of emergencies (breakdowns, attacks by thugs). The closed-circuit system provides a ceiling-mounted TV camera which projects a continuous picture of the elevator interior to a TV monitor in the lobby.

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SUMMARY-INDEX OF WEEK'S NEWS

FCC

UNCERTAIN WEIGHT OF FCC PROGRAM INQUIRY is apparent from the compromise nature of the expanded investigation. Industry waits to see amount of push behind it (p. 1). Official order (p. 4).

Advertising

SPONSORS MUST SHARE CLEANUP of any questionable practices in TV programs & commercials "or give up" to outside regulation, warns new ANA chmn. Donald S. Frost at Hot Springs (p. 6).

NEXT TARGET—COMMERCIALS, as TV probes continue. In N.Y., DA Frank Hogan seizes commercials for Regimen Tablets to examine them for possible fraud (p. 5).

Film & Tape

OVERSEAS FILM SALES BARRIERS increasing, as new TV-film export group plans organization meeting. Mexico's Azcarraga joins Cuba's Mestre in Latin film combine (p. 2). Other stories (p. 16).

Programming

STATION MANAGERS REPORT ON ETV: Our questionnaire to all commercial telecasters in U.S. & Canada draws reports on a flood of ETV programs (pp. 3 & 9).

RATING SURPRISES GALORE in first national report of new fall season. The new 60-min. film shows have not done well (p. 10).

Congress

HARRIS RELOADS HIS GUNS for new investigative campaign against suspect TV-radio practices. Prime target: Payola. Target date: Dec. 9 (p. 8).

Manufacturing & Distribution

INDUSTRY'S FINANCIAL HEALTH excellent, our 22-company financial sampling showing 3rd-quarter profits up 22.9%, 9-month profits up 24.2% over last year (p. 18).

"RE-DEFERRED" TV SET BUYING as result of steel-strike uncertainty prompts one researcher to cut 1959 sales forecast to 5.7 million sets (p. 19).

TV-RADIO SALES & OUTPUT continued to run ahead of 1958 in Sept. First 9 months' retail TV sales totaled 3,811,784 units vs. 3,468,090 in 1958 (p. 20).

COMPONENT SALES SOAR in biggest rise since Korean War. New govt. study shows first-half 1959 tube & parts shipments 30% ahead of comparable 1958 period (p. 20).

JAPAN'S "DANGEROUS GAME" of limiting imports while flooding U.S. with certain product lines criticized sharply by Commerce Dept.; restrictions hinted (p. 21).

Networks

NBC'S POST-QUIZ AFFILIATES MEETING is told by Chmn. Robert W. Sarnoff that industry must work to "challenge the hysteria" created by quiz hearings. Plans for new TV, radio shows are meeting highlights (p. 7).

Stations

2 NEW UHF STATIONS on air, 2 uhf's resuming operation, raising U.S. station count to 560. Two new Canadian outlets make their debuts (p. 13).

Other Departments

PERSONALS (p. 12) **FINANCE** (p. 22) **AUXILIARY SERVICES** (p. 24).

UNCERTAIN WEIGHT OF FCC PROGRAM INQUIRY: FCC's enlarged & intensified inquiry into programming, including radio as well as TV (for full text of order, see p. 4), will be exactly what Commission chooses to make it. It can be too tough, too easy or something between.

Move was a compromise, palatable to all. Obviously, an all-out job is goal of Comrs. Ford & Bartley, who have frequently made clear their views that law requires them to keep sharp eye on programming (Vol. 15:43 p1). Comrs. Lee & Cross aren't far behind them currently. Chmn. Doerfer has grave doubts about how far FCC can go, but he's heartily in favor of exploring Commission's legal powers over programming, which is part of expanded inquiry. Other 2 FCC members, Hyde & Craven, are in Geneva—but their records indicate that Craven would lean strongly toward Doerfer's views, Hyde toward the others.

FCC is asking for everyone's ideas on how to conduct the investigation, will accept them in a public hearing "shortly," date to be determined. It asks for "comments & suggestions of organizations & individuals who have a contribution to make to this study."

Networks offered no reaction to FCC move—but they can be neither surprised nor happy. FCC inquiries are frequently tedious & non-sensational but they often result in tightening of controls. Commission's original network study of business practices produced staff recommendations that FCC majority believed it

couldn't ignore even if it wanted to. Hence, it voted to knock CBS & NBC out of spot sales business, proposed to cut option time from 3 to 2 1/2 hours per segment of day and has generally forced networks to hew closer to the line of existing network regulations. These are but a fraction of the major recommendations of network study staff, but they're all in direction of strictness.

Not the least of networks' worries is Justice Dept.'s study of quiz-rigging and FCC's powers, being conducted on orders from President Eisenhower. Justice Dept. has opined, time & time again, that option time is illegal, and President's assignment gives it perfect opportunity to assert that such things as quiz scandals couldn't happen if there were no option time—the theory being that stations have abdicated program control.

Chances are Justice Dept. will go to court to attack option time. Even judges are human, so the embattled networks can scarcely regard this as an auspicious time for such a suit.

Important question of new, expanded programming inquiry is size of investigating staff. Commission hasn't yet decided how big to make it. It has only 2 lawyers on project now, full time—Ashbrook Bryant & James Tierney. From time to time, it has used economist James Sheridan and attorneys Robert Greenburg & John Bass. In fact, the group has had no chief since economist Warren Baum resigned many months ago.

Commission has no special fund for the programming study. This is unlike the original "network business practices" study, ordered by Congress, which appropriated \$225,000 for the job. Thus FCC will have to divert staff members from other chores, possibly could hire a few new people. Some Commissioners believe the project will eventually grow as large as the first study which took about 2 years.

The man who headed FCC's original network study, U. of Cincinnati law school dean Roscoe Barrow, gave us this reaction to Commission's announcement: "I'm glad to note that they're going to do this. After all, the study we made had as its objective better program service. However, if some of the recommendations we made, which apparently haven't met with FCC approval, were adopted, such things as these quiz scandals might have been avoided.

"If networks were licensed directly, this kind of thing would not have happened. It could have been detected earlier. It's not effective to regulate networks through affiliates, because of the networks' superior bargaining power. "The things we went into were far, far more significant than these current symptoms that excite the man in the street."

SPONSORS MUST SHARE CLEANUP: Advertisers are responsible in TV programming, as much as any other segment, for seeing that there are no more quiz scandals. This far-reaching warning was voiced last week to the Hot Springs meeting of Assn. of National Advertisers by its new chmn., Bristol-Myers vp Donald S. Frost (see p. 6). ANA met issue squarely. "Clean up—or give up," said Frost who pulled no punches in stating that sponsors must watchdog "every aspect of TV with which we are connected." It was also important, Frost stressed, that policing not be enforced by Government, but by sponsors themselves.

Cleanup applies to commercials as well, in view of ANA, although the organization (whose 650 members include virtually every major TV sponsor) has no regulatory powers other than heavy moral pressure. Cooperation between ANA & NAB is under way in commercial realm, with new liaison established between ANA and TV Code Review Board headed by Westinghouse Bcstg. Co. Pres. Donald H. McGannon. He promised ANA that NAB would "resist without compromise" any outside regulation of TV.

ANA stand completes united front in TV industry favoring examination of current practices, axing of dishonest shows & commercials, and a self-regulated future. Networks, NAB, affiliate groups, agencies and now sponsors are all talking same cleanup language.

FIGHTING OVERSEAS FILM SALES BARRIERS: Size of foreign TV market for U.S. programs has never been accurately measured. While overall U.S. overseas TV film industry sales have been estimated at \$20 to \$30 million a year (Vol. 15:30 p2), many film people say there's very little gravy in it because of mounting foreign restrictions and other barriers.

Examples: Japan has low price-ceiling and limit on number of overseas-produced films for TV. England permits only 14% of its TV time to be occupied by foreign-produced films (which means only 5 to 7 hours per week per channel). In Canada, there's the proposal that 55% of programming must be Canadian in content or origin. Then there's the new & solid Latin American film-buying organization, controlled by the most powerful station owners, which some distributors think is designed to force prices down.

On top of such problems as these, there is a maze of other roadblocks to doing business overseas—currency restrictions, customs red tape, censorship, etc.

That's why virtually all TV film distributors doing business overseas have reacted favorably to the new TV-film export group now being formed by group headed by William H. Fineshriber Jr. (Vol. 15:40 p2). Patterned after Motion Picture Export Assn., the as-yet-unnamed organization is designed to represent U.S. TV-film industry abroad in dealing with obstacles to free & profitable distribution of American programming.

The new group, chaired temporarily by CBS-TV stations Pres. Merle Jones, has drawn up its prospective organizational papers. The 24 film companies in the international field have been sounded out and are expected to be represented at organizational meeting early next month. Initial annual budget for the group is projected at about \$165,000.

The station-owned Latin American film buying & distribution organization Television Interamericana S.A. (Vol. 15:40 p2) has been greatly strengthened by the addition of Emilio Azcarraga's Telesistema Mexicano to the roster of owners. The group is now owned jointly by Goar Mestre's Cuban interests (CMQ & CMBF networks), the John G. Johnston-Goar Mestre Puerto Rican interests (WAPA-TV San Juan), Azcarraga's Mexican TV empire, Radio Caracas of Venezuela, and telecasting interests in El Salvador. Cuban, Puerto Rican & Mexican groups are believed to own about 20% interest each in TISA.

TISA's principal goal is to purchase Latin American rights to U.S. film properties, dub them into Spanish, and distribute them to both TISA members & non-members in Latin America. Since TISA's stated aim is to "supply a reasonable percentage of the film needs of Latin America," many U.S. film distributors believe it can only depress prices and limit the market.

It goes without saying that any group which combines the empires of Mestre and Azcarraga is a force to be reckoned with in Latin American TV. And organizers of the new U.S. TV-film export group point to this new Latin united-front film buying combine as another strong reason U.S. film sellers must also have united front in their overseas dealings.

ETV ON COMMERCIAL STATIONS: Educational programming for education's sake is an accepted responsibility on almost all U.S. & Canadian commercial TV stations, our latest station-manager questionnaire (Vol. 15:38 p4) indicates. Roughly one-third (182) of 561 commercial stations queried (now 566) replied to our questions on their ETV programming policies—and 93% of respondents reported telecourses ranging from art to zoology, for students at elementary to college levels.

Serious tenor of commercial-station telecourses for credit is mirrored by number of programs which offer viewers such scholastic points. Some 62% (113 of 182) of stations reported 159 credit programs.

Program affiliations with local boards of education were reported by 77 stations (42%), and they had tie-ups with 90 boards.

Commercial telecasters give minimum programming time to purely academic shows which neither offer credits nor have sponsorship of education institutions, our survey noted. Queried as to such academic programming (language instruction, course in pottery-making, etc.), 122 stations reported none. The other 60 stations (32%) carry 100 such programs.

We also asked station executives about programs they rate as "educational," even though they did not fall into our survey's 3 credit-bearing, board-of-education-sponsored, or academic categories. Only 81 of the 182 stations fed us blanks in this category. The other 101 stations (55%) noted that they telecast 205 programs they rate as falling into this "educational" category. (For additional details, see p. 9).

The FCC

CATV problems are scheduled to come before FCC again in its Nov. 18 meeting. The question is whether to examine station-CATV conflicts in an oral "legislative" hearing before the Commissioners. FCC once conducted an extensive inquiry based on written presentations, but hearings conducted this summer by the Senate Commerce committee (Vol. 15:29 p4) led the Commission to consider whether a new, oral presentation is needed. Also due Nov. 18 is vhf booster rule-making discussion (Vol. 15:44 p11).

CBS & NBC will appeal the FCC decision ordering networks out of the business of acting as station rep for affiliates (Vol. 15:41, p1). Dates & manner of appeal were undecided as of late last week, we were told by network legal executives. In going to the courts with the stop-rep decision, the networks take a risk even if they win the case. This is because the courts have sometimes gone beyond the confines of the case at hand and issued judgments expanding the powers of FCC in other areas.

CP for Ch. 8, Iron Mountain, Mich. was granted to the owners of WFRV (Ch. 5) Green Bay, Wis.

*Full text of***FCC'S ORDER FOR INVESTIGATORY PROCEEDING**

Before the Federal Communications Commission, Washington 25, D.C. In the Matter of Study of Radio and Television Network Broadcasting. Docket No. 12782.

At a session of the Federal Communications Commission held at its offices in Washington, D.C. on the 9th day of November, 1959;

WHEREAS, on February 26, 1959, after a substantial preliminary inquiry, the Commission by its Order (FCC 59-166) and Public Notice (FCC 59-168) directed that inquiry be made pursuant to Section 403 of the Communications Act of 1934, as amended, to determine, among other things, the policies and practices pursued by the network licensees and others in connection with the production, selection, licensing and supervision of programs for television exhibition and the effect of such policies and practices on the public interest, and that a public investigatory proceeding be instituted for that purpose; and

WHEREAS, pursuant to said Order, such inquiry is continuing and public hearings have been and will be held with regard to certain phases of the network television program selection process; and

WHEREAS, in the course of such inquiry and from other sources, information has been reported to the Commission which tends to show that certain practices have been carried on by broadcast licensees and employees of such broadcast licensees and other persons in connection with the election, supervision and broadcast to the public of programs and other material, which practices appear to be contrary to the public interest; and

WHEREAS, under the Communications Act and the policies promulgated by the Commission thereunder, the selection, supervision and broadcast to the public of programs and other material including advertising is the primary responsibility of the licensed broadcaster subject to the duty of such broadcaster so to exercise that responsibility as to serve the public interest in terms of the needs and interests of the community which such broadcaster is licensed to serve; and

WHEREAS, under the provisions of the Communications Act of 1934, the Commission is empowered and directed to grant applications for construction permits, station licenses and modifications or renewals thereof for radio and television broadcast stations only after the Commission has made a determination that the public interest, convenience or necessity will be served thereby and, in making such determination one of the relevant factors considered by the Commission includes the policies and practices pursued and carried on by the applicant in the exercise of his responsibility to select, supervise and broadcast programs and other material including advertising which meet the public interest and the needs and interests of the community served by such broadcaster; and

WHEREAS, this Commission has from time to time in its decisions and otherwise laid down certain general standards for the guidance of licensed broadcasters in the exercise of such responsibility, nevertheless, in view of recent information concerning certain program practices, it is desirable to review the extent of the Commission's authority in connection with programming, in the light of the censorship prohibitions of Section 326 and certain court decisions, to determine whether or not legislation should be recommended to the Congress; and

WHEREAS, such general standards have been recognized and accepted by networks, licensees and other components of the industry and have in their essentials been adopted and set forth in codes and rules of conduct issued by various groups within the industry; and

WHEREAS, such general standards include such concepts as decency, propriety, fairness and balance in connection with the presentation of broadcast material to the public; and

WHEREAS, many or most of such standards were laid down by the Commission prior to the advent and development of television broadcasting; and

WHEREAS, the rapid development and expansion of television network broadcasting has had a direct and important impact on radio broadcasting and has, in large measure, altered and changed the nature and character of the policies and practices pursued by many radio broadcasters affecting the type and content of programs and other material broadcast to the public and has also affected the use of radio as an advertising medium; and

WHEREAS, coincident with the expansion and development of television there has been a large increase in the number of licensed radio and television broadcasters which has greatly increased and complicated the problem of proper and adequate review by the Commission of the policies & practices pursued by its broadcast licensees; and

WHEREAS, in view of the foregoing, and in order to enable it properly to exercise its duties and responsibilities in connection with the program and advertising material broadcast to the public through the facilities of licensed broadcasters, the Commission has determined that inquiry should be made and that information and data should be obtained regarding the policies and practices pursued by radio and television licensees and others affecting the program and other material broadcast to the public:

NOW THEREFORE, IT IS ORDERED that the inquiry and investigatory proceeding instituted pursuant to the Commission's Order of February 26, 1959, (FCC 59-166) be and is hereby amended and enlarged to determine the policies, practices, mechanics and surveillance pursued and carried out by networks, station licensees and others in connection with the acquisition, ownership, production, distribution, selection, sale and licensing of programs for radio and television exhibition and the policies and practices pursued by networks, station licensees and others in connection with the selection, presentation and supervision of advertising material for broadcast to the public and the reasons and necessity in the public interest for said policies and practices, and that in such inquiry information and data be obtained relevant to the following questions:

1. whether and the extent to which policies and practices being pursued by some broadcast licensees in the field of programming and advertising are inimical to the public interest;

2. whether and the extent to which the general standards heretofore laid down by the Commission for the guidance of broadcast licensees in the selection and broadcast of programs and other material to the public are adequate in view of the changed and chang-

ing conditions in the broadcast industry;

3. whether and the extent to which the Commission should, by the exercise of its rule-making power, set out more detailed and precise standards for the guidance of broadcasters in the exercise of their responsibility;

4. whether and the extent to which the Commission's present policies and procedures in the review and consideration of the performance of its broadcast licensees in the field of programming and advertising is adequate, in view of the greatly increased number of such licensees; and

5. whether the Commission's authority under the Communications Act of 1934, as amended, is adequate for these purposes or whether legislation should be recommended to the Congress.

FEDERAL COMMUNICATIONS COMMISSION
Mary Jane Morris, Secretary

FTC's Kintner Defends Agencies: FTC Chmn. Earl W. Kintner, who has reacted to TV quiz show scandals by stepping up campaigns against frauds in his advertising jurisdiction (Vol. 15:44 p45), thinks there is nothing wrong with much-criticized govt. agencies that self-improvement can't fix. In a slashing counterattack on proposals by ex-CAB member Louis J. Hector that administrative agencies, including FCC, be stripped of their quasi-judicial functions (Vol. 15:35, 39), Kintner told the anti-trust section of the Ill. State Bar Assn. in Chicago that such schemes to reform procedures are "utopian."

"Horrible examples" of agency inefficiency can always be found by critics of the system, Kintner said, but if "the sole question is how to accomplish govt. regulation of business in the most effective & least burdensome manner, and if pragmatism rather than adherence to philosophical criteria is to be the guide in this undertaking," then: "The administrative process itself should not be abandoned for an untested utopian alternative [of special administrative courts] until it can be demonstrated that the administrative process would be ineffective even if improved to the limit of its capabilities."

Such "new critics" of the agency system as Hector, said Kintner, maintain that "a cure-all" for its faults "is to transfer the policymaking functions of the administrative agencies to the executive branch." He conceded that the present system "lacks the neat lines of control & tables of organization that so gladden the heart of the technocrat."

"But this nation is a democracy, not a technocracy," Kintner pointed out. "Throughout our history we have been willing to sacrifice theoretical neatness for practical accomodation."

Retrial of ex-FCC Comr. Richard A. Mack & Thurman A. Whiteside on Miami Ch. 10 conspiracy charges, scheduled to start Nov. 12 in Washington's U.S. District Court (Vol. 15:45 p10), has been postponed indefinitely. Judge Charles F. McLaughlin agreed with arguments by defense counsel Arthur J. Hilland & Nicholas J. Chase that it wouldn't be "regular" to proceed with the 2nd trial until the Supreme Court decided whether it would hear an appeal stemming from the first 14-wk. trial, which ended in a hung jury. The lawyers said the original indictment & official papers in the case, in which Mack & Whiteside are accused of plotting to rig the Miami grant for WPST-TV, hadn't been processed through the Supreme Court.

Advertising

Next Target—Commercials: A sweeping probe into all aspects of audio-visual deception in TV commercials was looming last week as various sectors of the industry, from advertisers (see ANA meeting story, p. 6) to TV investigators, began to make their moves.

In N.Y., DA Frank S. Hogan—already involved in his own quiz-show cleanup—swooped down on Drug Research Corp., manufacturers of Regimen Tablets (a reducing aid preparation), and on the Regimen ad agency (Kastor, Hilton, Chesley, Clifford & Atherton) to seize kinescopes of Regimen's spot TV commercials and other books & records. Hogan stated his action was prompted by consumer complaint that the commercials, which feature name personalities in a "before & after" technique and are backed by a \$1-million 1959 Regimen ad budget, were misleading. His office, Hogan stated, had been looking into TV commercial misrepresentation for the past 6 months.

With the FTC, FCC and House subcommittee on legislative oversight now moving into crackdowns on "false & misleading" TV ads (Vol. 15:45, p2), the networks were—despite the general nervousness this season—remarkably unruffled, we discovered in a 3-network checkup.

"We go to a great deal of trouble to consult the Better Business Bureau, Dun & Bradstreet and others concerning advertisers & commercials," Stockton Helffrich, NBC radio-TV continuity acceptance dir. told us, adding, "the FTC investigation is slightly misleading. We send copies of all commercial scripts to them anyway."

A similar comment was voiced by Helffrich's opposite number at CBS-TV, Herbert Carlborg. "We spend hours going over commercial storyboards with agencies, consulting with medical authorities and testing products in laboratories," Carlborg told us. On the subject of visual trickery, he added that "there's some of it in all advertising. So long as it's not deceiving the public, it's acceptable."

* * *

Grace Johnsen, who holds a similar censorship post at ABC-TV, prepared a press statement in answer to commercial cleanup queries which stated, in part, that her continuity acceptance dept. "reviews all broadcast material, including advertising copy, and requests substantiation for any claims it deems necessary. It has always complied with requests for commercial copy from the FTC."

The networks do not send, we learned, completed versions of all televised film commercials. What they actually deliver to FTC are scripts on live commercials in network-produced shows, film commercial scripts submitted in advance by agencies, and telecast dates. Filmed commercials are reviewed by the networks (whether or not the script for it has been sent to FTC) prior to broadcast, and any further action is up to FTC monitors.

The question of commercial honesty was also touched on Nov. 11 by a luncheon panel discussion staged by the Art Directors Club of N.Y. at the studios of Videotape Productions to tackle the subject of "the art director's responsibility for fixing the taste level of TV commercials." Stated William Duffy, senior TV art dir. of McCann-Erickson: "I don't think an art director's job involves truth & believability in commercials, but certainly such elements shouldn't hurt product sales." Said Jack Sidebotham, TV art dept. dir. of Y&R: "I'd like to differentiate between frauds (in TV commercials). As far as studio substitutes for cake icing or heads on beer are concerned, I think they are an allowable expediency. The question is that of real cheating vs. producing what the audieneec is likely to see anyway."

More about

ANA ON RESPONSIBILITY: Advertiser concern with the blight cast on all advertising by the TV quiz scandals was noticeable at the ANA meeting (see p. 2). To draft the hard-hitting statement voiced by new Chmn. Donald S. Frost, the ANA Board had met for 14 hours behind closed doors. Henry Schachte, retiring ANA chmn. and exec. vp of Lever Bros., stated later that "we're trying to tell our own members as strongly as possible that this is a serious situation."

ANA members were told they weren't alone in this concern. Finding an answer to the quiz scandals would be "a matter of first importance" to NAB's TV Code Review Board, declared the group's chmn., Westinghouse Bcstg. Co. Pres. Donald H. McGannon. "When you catch a speeder, you arrest the driver, not the automobile," said McGannon in a talk to ANA members. "There have been suggestions that legislation can correct the possibility of such a thing recurring. If statutory language can be written to correct the situation, then voluntary self-regulatory language can be so written, and I can assure you that it will be observed by broadcasters."

The pros & cons of advertiser control in TV programming were debated before the ANA Nov. 9 by a guest panel representing the viewpoints of critic (columnist John Crosby), network executive (NBC-TV sales vp Don Durgin), agencyman (Grey Agency exec. vp Alfred Hollender) and producer (Warner Bros. TV sales vp Rodney Erickson), with Lever Bros. media dir. Howard Eaton as moderator.

WB's Erickson and critic Crosby suggested that editorial control over TV should be held by networks & producers, with advertisers buying insertions in the style of British commercial TV. Durgin & Hollender held out for less than full control at the network level, urging that it be shared by advertisers & networks. Large advertisers prefer to keep some control, Erickson stated, adding that "perhaps 3 out of 4 would be willing to relinquish control." As a sidelight, Erickson also stated that production prices & residual participations for telefilms had risen to the point where "the producer must break even on his negative costs on the first run." Fewer programs with more repeats was suggested by Erickson as one solution, with the "unlimited" profit potential of pay TV as the major alternative for producers, who are reaching a point of no return."

George J. Abrams, ex-Revlon ad mgr. now pres. of the Richard Hudnut div. of Warner-Lambert Corp. and a member of ANA's board, voiced a further thought on the quiz scandals at the ANA meeting last week. Abrams, who testified at the Washington hearings, said he thought ANA should bring "strong influence" to bear on any advertiser indulging in "deceptive practices."

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Some toothpaste commercials are as "rigged" as TV quiz shows exposed by the House Commerce legislative oversight subcommittee, according to secy. Dr. Harold Hillenbrand of the American Dental Assn. "Unsupported advertising claims continue to give TV viewers as well as readers a false sense of security [about mouth hygiene]," he said in a statement which followed up other criticism of dentifrice commercials by ADA Pres. Dr. Paul H. Jeserich and Health, Education & Welfare Secy. Arthur S. Fleming. Noting the complaints, an FTC spokesman said the ad-policing agency is "aware of the whole problem," but clinical evidence to support charges is hard to obtain.

TV Revenue Growing: A 12% increase in TV revenues for 1959 as compared to 1958 was predicted last week by TvB pres. Norman E. Cash. Network billings in 1959 will total some \$773 million this year with national & regional spot-spending hitting \$464 million (net time & talent), Cash reported.

TvB's own budget has grown in the past 5 years from \$500,000 to \$1 million this year. Cash announced that in 1960 the Bureau's home office will move to 1 Rockefeller Plaza. He noted TV's growth in the past 5 years from 62% coverage of U.S. homes to more than 86%, with revenue increasing from \$800 million to \$1.5 billion. TV's share of ad revenue has increased from 10% to nearly 14%, making it the leading national advertising medium, said Cash.

* * *

TV will take over local ad revenues as it has the national ad dollar unless newspapers awaken and offer retailers more services & more buying conveniences, *Indianapolis Star & News* promotion & research dir. Howard S. Wilcox (National Newspaper Promotion Assn. pres.) warned at the central region NNPA convention. His suggestions: Simplify rate cards & mechanical requirements; help retailers "obtain best possible ad results."

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In Other Media: Voluntary action by magazine publishers to police their own fanfare over circulation & lineage gains is foreseen by the Nov. 6 *Printers' Ink*—"but don't expect it to happen very soon." The magazine says publishers "know all too well that many advertisers already are battlesore to charges of faulty comparisons." . . . Trend to a 20¢ newsstand price among major mass-circulation weeklies is noted by the same trade paper: *Look* (20¢), *Life* (which dropped to 19¢ earlier this year), *SatEvePost* (which will extend its present 20¢ test in Utah, Wyo. and Mont. to Wash., Ore. and Ida. by month's end, sells for 15¢ elsewhere) . . . Not only broadcast advertising is under fire these days. Another slam at Barbasol print ads is contained in a letter to *Ad Age* from adman J. B. Taylor, Taylor-Norsworthy pres., who terms them "a disgrace to our industry." Taylor was disturbed by the ad which shows 'Miss Barbasol' standing with a can of shave cream under the caption: "What Other Can Can Compare With My Big Can?" . . . Another newspaper merger: *Ohio State Journal* and p.m. *Columbus Citizen* debuted last week as the a.m. *Columbus Citizen-Journal*.

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Ad People: Jack Izard named General Motors Chevrolet div. national ad mgr., eff. Jan. 1 . . . Carl W. Nichols Jr. and Shelton Weeks named Cunningham & Walsh senior vps . . . G. Maxwell Ule, Kenyon & Eckhardt mktg. senior vp & a dir., appointed to the exec. committee; Stephens Dietz named mktg. services group vp for media, merchandising, research & TV-radio depts.; Paul Bradley named merchandising dept. vp.

Frank Harrel, Young & Rubicam copy dept. mgr., named vp & copy dir. . . Bernard D. Kahn, Grey Advertising associate copy dir., elected vp . . . J. Davis Danforth retires Jan. 1 as BBDO exec. vp, after 35 years with BBDO & its predecessor, Barton, Durstine & Osborn . . . Grant Tinker, ex-Warwick & Legler, appointed Benton & Bowles vp & TV programming dir. . . Edward F. Thomas has resigned as J. Walter Thompson vp & PR supervisor to form Edward Thomas Associates Inc., PR counsel, 103 Park Ave., N.Y.

Networks

NBC's POST-QUIZ MEETING: Networks & affiliates must work together to "challenge the hysteria which has painted quiz-show rigging as typical of the whole character of TV," stated NBC Chmn. Robert W. Sarnoff in a forthright luncheon address Nov. 12 which wrapped up the network's annual meetings of TV-radio affiliates in N.Y. He termed the effects of the quiz hearings as "shock waves" through the industry. He denied that NBC had any advance knowledge of quiz skullduggery. He said that NBC was ready to accept full program responsibility to the public & its stations, and he added that he didn't accept the axing of quiz shows as a solution—since it would be an admission that "we are incapable of being masters in our own house."

NBC's chairman forecast that TV will be under "continued hard scrutiny" in the months ahead, and urged affiliates to be extra-vigilant in the realm of payola, kick-backs, plugs or deceptive ad practices. "It is imperative that all broadcasters safeguard themselves against wrongful practices which would be laid at their doors, even though carried on without their knowledge," he stated. Clarifying what he termed misunderstanding of NBC's establishment of a new internal security service (Vol. 15:45, p6), Sarnoff declared the unit "will not be a private police force, but an executive staff group which will help us separate the grey areas into black & white."

Earlier the same day, NBC-TV affiliate executives heard a summary of network program & sales plans from its top executives, including Pres. Robert E. Kintner, exec. vp Walter Scott, program vp David Levy, and sales vp Don Durgin. Some highlights:

In the nighttime program realm, NBC has ready as possible program replacements such new 30-min. film packages as *The Barbara Stanwyck Show*, *Whispering Smith*, starring Audie Murphy, and *Mustang*, starring Brian Keith. *Klondike*, a co-production series with Ziv TV, as well as *The Barbarians*, *The Blue & The Grey*, and some other pilot properties are being groomed. Daytime plans include some more reruns of nighttime film shows, game programs, and at least 6 daytime big-budget specials. Plans are also continuing for more nighttime specials (live remakes of old Selznick movies, Dore Schary drama specials, adaptations of former Broadway shows, a biblical series of specials by Henry Denker), more *Project 20* specials and series (including one on the Korean War modelled on *Victory at Sea*), location trips for the *Today* show to Japan & Mexico, and a heavy fall lineup of sports including pickups of most of the post-season bowl games.

NBC Radio affiliates attending the 2-day session were also told by NBC Chmn. Sarnoff that the network has no intention of getting out of the radio field, because of "the national necessity to maintain a system of radio networking which serves as the basis for all emergency communications planning." Of NBC Radio's new emphasis on news, information and public service programs (the *Image* series, *Monitor*, newscasts, and a new commentary series called *Emphasis*), Sarnoff stated that "we have finally evolved a form of service that meets the acid test . . . tailored to your specifications & needs." NBC Radio exec. vp Matthew J. Culligan, who declared that "an atmosphere of cooperation" existed between network & affiliates, announced that 123 affiliates have already endorsed the new network plan and that clearances have been lined up with "most of the other stations."

RESEARCH WAR-OF-NERVES: The kingpin position of A. C. Nielsen in network ratings is being boldly challenged by the 3 networks in the disagreement between the webs & the research firm concerning contract terms. Nielsen wants more money; but the networks won't pay the increases the research firm is demanding (4%) for a renewal effective next fall, and they have officially notified Nielsen that they're cancelling then.

This hassle has happened before—in fact, it's practically routine since there's always a year in which to reach compromise—but this time the networks intend to make it stick. The new national-sample "instant rating" planned by American Research Bureau for Oct. 1960 is in view.

All 3 networks had quietly signed up with ARB for it last week, although Nielsen himself was busy showing off his own new instantaneous rating service in N.Y. (Vol. 15:44 p13). The forthcoming ARB service will be basically an expansion of the present Arbitron system to a cross-section of 1,500 U.S. homes at a cost of over \$1 million.

Core of the new ARB service will be a broadening of present instantaneous services to 30 TV markets that have 3-way competition. This will provide "morning-after" competitive reports something like Trendex. Additional homes to reach the 1,500 national sample will be added. These will also be measured electronically, but won't be reported on an overnight basis. ARB's other local services are being expanded to cover 287 TV markets containing 352 TV cities and all commercial stations. Reports will come at the minimum rate of 2 a year & maximum of 12.

Will Nielsen fight back? Very likely, although it's doubtful he'll trim the increases he's seeking. The combination of client & agency pressure on the networks, coupled with further development of Nielsen's own fast-rating method and additional services, may turn the trick.

NETWORK SALES ACTIVITY

ABC-TV

Cartoon-action strip, Mon.-Fri., 5:30-6 p.m., 14 30-min. segs. over 26 wks.
Perkins div. of General Foods (Foote, Cone & Belding)

Leave It to Beaver, Sat., 8:30-9 p.m., 11 1/3 sponsorships starting Jan. 2, 1960.
Vick Chemical Co. (Ogilvy, Benson & Mather)

CBS-TV

Love of Life, Mon.-Fri., 12-12:30 p.m., alt. wk. 15-min. seg.
Toni (North)

For Better or Worse, Mon.-Fri., 2-2:30 p.m., Verdict Is Yours, Mon.-Fri., 3:30-4 p.m. & Love of Life, alt. wk. 15-min. segs.
Dumas Milner Corp. (Gordon Best)

On the Go, Mon.-Fri., 10:30-11 a.m., 2 alt. wk. 15-min. segs.
Helene Curtis (Weiss)

Captain Kangaroo, Sat., 8-9 a.m., additional 15-min. seg.
Tootsie Roll Corp. (Henry Eisen)

NBC-TV

Concentration, Mon.-Fri., 11:30 a.m.-noon, renewals of 5 alt. wk. 15-min. segs.
Lever Bros. (Needham, Louis & Brorby)

Laramie, Tues., 7:30-8:30 p.m., renewal of thirds for the remainder of the season.
Colgate-Palmolive (Ted Bates)

Congress

HARRIS RELOADS HIS GUNS: Capitol Hill's big TV investigative guns, which have been thundering against the lively ghosts of defunct quiz shows, were relatively quiet last week while House staffers piled up ammunition for a fresh onslaught on other suspect practices in the broadcasting industry—such as payola (Vol. 15: 45).

TV quiz explosions reverberated in FCC and along other TV-radio fronts (see pp. 1, 2, 7 & 11), but Chmn. Harris (D-Ark.) of the Commerce legislative oversight subcommittee himself was back home in El Dorado, taking a recess from the broadcasting wars until Dec. 9. Other subcommittee members also scattered from Washington.

Before he left, Harris issued instructions to subcommittee counsel Robert W. Lishman to be ready with a new battle plan when the unit mobilizes again next month. Reported payola practices by radio disc jockeys and TV musical directors are already covered by a "considerable file" gathered by his staff, according to Lishman.

Payola almost certainly will be the subcommittee's No. 1 (but so far, undeclared) objective in its extended investigation, which could run far into the 2nd session of the 86th Congress next year—thereby lessening chances that any legislation will come out of it. If the subcommittee does get around to bill-drafting, top priority probably will go to a first-session measure (HR-5042) by ranking minority member Bennett (R-Mich.) for direct control of networks by FCC (Vol. 15:42 p1).

It will take decisions by the often-divided subcommittee in Dec. & later to decide just how far the new probe should go into other areas (payoffs & kickbacks for plugs for products & persons, frauds in commercials, violence in Westerns, programming-by-ratings, on-air editorializing, etc.) which have been targets of Congressional wrath. Lishman said he didn't know where it might end.

* * *

The biggest stir at the subcommittee offices meanwhile was caused not by preparations for new exposes, but by a quickie article on the just-ended hearings—"Committee Investigator Reveals How Fixers Secluded Innocents"—in the Nov. 16 *Life*.

Featured in a 9-page picture-&-text section on the sensational quiz story, the article was bylined by lawyer Richard N. Goodwin, special subcommittee consultant who did much of the official legwork for the hearings. Questioned by reporters about the propriety of a paid subcommittee staffer writing for a magazine about subcommittee business—and getting paid for it—Goodwin said he saw nothing wrong in his outside work. At his home, Harris said he had warned Goodwin not to discuss the subcommittee's work in the article. Lishman read it before publication, according to Goodwin. Noting that reporters have been having "a lot of trouble this fall getting any information out of the investigating staff," the Scripps-Howard *Washington Daily News* took a dim editorial view of Goodwin's "public information for sale." It said the probe was supposed to "provide information to the public, not information to be hoarded up for private sale."

Cover-story treatment of the Harris hearings was given by *Life's* sister *Time* in its Nov. 16 issue. NBC pres. Robert E. Kintner was on the cover. Inside, the quiz & Kintner story ran through 7 pages.

In other quiz developments:

Sen Javits (R-N.Y.) said TV needs a "czar" to clean

itself up. "An outstanding public figure" such as baseball's late Judge Kenesaw Mountain Landis could do it, he said.

Sen. Randolph (D-W. Va.) said TV's trouble is "a tendency . . . to pander to the lowest common denominator of public taste & intelligence [and] help create that level."

Rep Stratton (D-N.Y.) wrote Harris that he thinks the oversighters should look at Westerns, crime and private-eye shows to see whether they aren't "closely connected with our growing wave of juvenile crime."

Rep. Mack (D-Ill.), an oversighter, was hanged in effigy on the Evanston, Ill. campus of Northwestern U. by students of Dr. Bergen Evans. At the quiz hearings Mack had suggested that the school fire Evans because he "supervised" questions on CBS-TV's fixed \$64,000 duo.

FTC member Sigurd Anderson, supporting Chmn. Earl W. Kintner's pleas to the industry to police itself (Vol. 15:42 p2), also warned: "I'm positive that more restrictive legislation will result from the investigation."

Senate Commerce Committee member Smathers (D-Fla.) said the TV-radio industry can discipline itself, that he'll oppose any new laws regulating shows. Govt. control of programming, he said "smacks of censorship and endangers one of the major principles of our democracy."

* * *

Labor Secy. James P. Mitchell said that he, too, is against any additional govt. regulation of TV. What's needed, he said, is more "self-regulation;" if the public doesn't like it, "every person is at liberty to turn his TV set off—shoot a hole in it with a shotgun if he wants."

Ex-Sen. William Benton (D-Conn.), who recently gave \$25,000 to the Fund for the Republic's Center for the Study of Democratic Institutions for another TV-press survey (Vol. 15:44 p6), wrote the *N.Y. Times* that a Presidential commission should keep a continuing watch on TV & radio.

Harvard's Dr. William Elliott, author of *Impact of Television on American Culture*, said on the other hand that the best way to clean up TV is for consumers to organize a national non-govt. watchdog council to advise Congress and the industry on proper standards.

USIA director George V. Allen said quiz riggings have hurt U. S. prestige abroad, where scandals have been attributed to "a low state of public morals" here.

Roscoe Drummond, syndicated Washington columnist of the *N.Y. Herald Tribune*, came up with a solution of his own. He called on all TV viewers to "all at once observe an hour of TV silence" in protest against the quiz scandals. Time set by Drummond for his proposed mass boycott across the country: 10-11 p.m. local time Nov. 17.

Sen. Langer (R-N.D.), just before his death Nov. 8, released an exchange of correspondence with NAB Pres. Harold E. Fellows. Langer had said Congress may give FCC more power over programming if TV itself "cannot do a better job of policing." Fellows assured Langer that new TV code prohibitions against "any abuse of public trust & confidence" will be offered at Review Board sessions Nov. 16 in Los Angeles (Vol. 15:42 p6).

Fellows pursued the quiz subject further last week at the NAB's regional conference in Fort Worth. "No matter how you may feel about any aspect of this deplorable circumstance," he told the broadcasters, "I submit that the entire industry is responsible, by the very terms of the license under which it operates." Fellows said the "salvation" of all broadcasters in the wake of the quiz scandals lies in the TV code and adherence to it. "Not enough of the radio stations subscribe to the radio standards of good practice—and not enough of the TV stations subscribe to the TV code," he added.

Programming

More about

TV TEACHES ALMOST EVERYTHING: Those who bemoan TV's lack of worthwhile programming, abuse the medium without benefit of our survey (see p. 3) of the nature & volume of educational shows now being dispensed by commercial TV stations in U.S. & Canada. The "lack," our study indicates, may well be merely adequate publicity at the station level. Lost apparently amid the program listings of Westerns, spectacles and other tranquilizers are numerous TV excursions into such stimulating & oftentimes controversial areas as archeology, sociology, religion, art appreciation, history, politics, local disputes & problems.

On the national picture, ETV offers something for everyone—in-school & out, for fun and/or for credit, for ages ranging from pre-school to infinity. Basic ETV programming reads like a school roster. On any given day, viewers somewhere can tune in on formal courses or academic programs ranging from language instruction, home-making crafts and shorthand to physics, history, science.

Some samples of commercial TV's ETV contributions to intellectual curiosity: KXJB-TV Fargo's *What Do You Think?* public affairs program; *Reading, Riting & Rosa* weekly evening book-review show by KTAG Lake Charles, La.; the arts & artifacts *Man, The Maker* program of WMAR-TV Baltimore; *Academy of Science*, originated Sun. a.m. by the Mobile (Ala.) Academy of Science via WKRK-TV Mobile; the Sun. *Capitol Report* by Neb. Senators & Representatives via KOLN-TV Lincoln; *Your Right To Say It* debate program produced by WGN-TV Chicago in cooperation with Northwestern U.; *Le Savoir-Vivre* etiquette show aired Fri. p.m. by CFCM-TV Quebec; WDEF-TV Chattanooga's college-credit *Children's Literature*; WHDH Boston's *Science-Quest & Conquest*; KOIN-TV Portland's college-credit psychology telecourse; WJZ-TV Baltimore's *Comparative Literature*; *Concepts of Mathematics*, aired for in-school & home viewing by WABI-TV Bangor; WJAR-TV Providence's *The World Around Us* political science program; WFIL-TV Philadelphia's *University of the Air*, which offers 2 subjects daily, taught by professors from virtually all colleges & universities in the area; and a host of other local & network courses & subjects ranging from *Atomic Age Physics* and *Modern Chemistry* to *American History* and Russian, French, Spanish etc., language instruction. Most widely used of network programs is NBC-TV's *Continental Classroom*, which this year offers a 2-semester course in college-level chemistry for academic credit from 309 U.S. colleges & universities. Sixty-two of the stations which replied to our survey carry *Continental Classroom*.

Other facts noted by our survey:

The 171 of our 182 respondents who program ETV material originate more than 250 shows, carry a relative smattering of network ETV.

ETV is not the exclusive domain of big stations nor small. Among the stations carrying heavier ETV loads we noted: WOI-TV Ames, Iowa; WHDH Boston; WTIC-TV Hartford; WTRF-TV Wheeling, W.Va.; WLYH-TV Lebanon, Pa.; WVET-TV Rochester, N.Y.; KCOP Los Angeles; WISH-TV Indianapolis; KELO-TV, Sioux Falls, S.D.; WSJS-TV Winston-Salem; WRGB Schenectady; WCNY-TV Watertown, N.Y.; WTOK-TV Meridan, Miss.; WREX-TV Rockford, Ill.; WEWS Cleveland; KROC-TV Rochester, Minn.; WCAU-TV Philadelphia.

Science TV programs involving "abstract concepts" are difficult to produce, NBC public affairs dir. Edward Stanley and CBS creative projects exec. Irving Gitlin told a group of educators & scientists recently. Speaking at a Washington conference on "The Mass Media & the Image of Science," sponsored by the Thomas Alva Edison foundation, the network executives challenged statements that TV is lagging in the production of science programs, stating that several good science shows are now being aired. Earl Ubell, N.Y. *Herald Tribune* science editor, cited a recent survey showing that Americans retain little that they read about science & medicine. Dr. Dael Wolffe, exec. officer of the American Assn. for the Advancement of Science, said he doubted that much could be done until the public itself was sufficiently educated in science. He said TV "has a superb opportunity to assist," but urged "straight," not sensational, treatment of science on TV. Dr. John R. Platt, U. of Chicago physics prof., told the group that TV science programs, if handled properly, can offer "the thrill of a detective story & the pleasure of watching a play by Bernard Shaw." National Science Foundation dir. Dr. Alan T. Waterman accused TV, radio & the press of "underestimating the desire of our citizens to learn & to know." He said that TV & radio programs appealing to the mind "can be as imaginative as those that appeal to the emotions." Speaking on the image of American science abroad, U.S. Information Agency dir. George V. Allen said foreigners are more interested in American science & technology than in almost any other aspect of American life.

A carefully-worded introduction, aimed at "some parents who will consider this other than general family entertainment," prefaced *CBS Reports'* "Population Explosion," (Nov. 11). Said commentator Howard K. Smith: "The program is purposefully broadcast at 10 p.m. EST with the knowledge that it contains certain brief phases pertaining to procreation." Discussing birth control in over-populated areas of the world were India's Prime Minister Nehru, Lady Rama Rau, pres. of the Family Planning Assn. of India, Monsignor Irving De Blanc, dir. of the Family Life Bureau of the National Catholic Welfare Conference, Washington, His Grace Archbishop Joseph Fernandez, Roman Catholic bishop of New Delhi, India.

President Eisenhower's trip next month to 10 countries in Europe, Asia & Africa will be given heavy TV coverage by NBC News, which plans a total of 11 TV programs including 8 specials in prime time, news v.p. William R. McAndrew stated last week. A total of 9 shows will be presented as Vol. 11 of the *Journey to Understanding* series which earlier reported on the Eisenhower-Khrushchev trips. Due to be utilized in the coverage (and the subject of a 40-page memo to NBC news staff last week) will be film, tape, microwave relays, Eurovision TV network, trans-Atlantic wire film system, chartered planes & regular jet flights. It's the "most extensive TV coverage ever given a Presidential trip," McAndrew stated. For ABC, John Daly and 6 TV-radio news correspondents will leave Dec. 4 to cover the President's tour. Three special programs (Dec. 12, 20, 27) will be produced, with others added if news developments warrant, ABC-TV said.

Rock & roll music came in last in a popularity poll conducted by radio KING Seattle to determine audience listening-preferences. The r&r beat racked up the largest thumbs-down vote (54%) among 5 music categories checked by 9,250 respondents. Most popular music—with a 75% approval score: tunes on million-seller records.

RATING SURPRISES GALORE: The first national Nielsen ratings of the fall season, covering the 2nd half of Oct.—which reached the desks of TV executives last week—contained a number of surprises. The balance of nighttime audience power between the networks had shifted noticeably; some program theories were shaken; rumors of certain shows “in trouble” graduated out of the rumor stage; and Hollywood producers were left, in some cases, with the task of performing quick rescues or picking up the pieces. Among high-lights of the Nielsen report:

New vs. old shows: The oldtimers won with ease. Of 52 new nighttime shows launched on the 3 networks this season, the average-audience rating was a not-so-hot 16.0, delivering some 6.5 million TV homes in the average minute. The 70 shows which returned for another season averaged 20.8, worth 8.8 million TV homes. In general, it was proving a poor season for new shows.

Network winners: Again the oldtimers swept the field as the trend forecast by ABC-TV's recent strong nighttime rating performance in the 24 Nielsen-measured competitive markets didn't pay off in the national returns. CBS-TV retained, and strengthened, its top position as the network that generally has the biggest audience. In the full nighttime program periods (7:30-11 p.m., Mon.-Sat.; 7-11 p.m. Sun.), the CBS-TV average audience was a 22.0. NBC-TV was runner-up with an 18.8. ABC-TV scored a 16.8, slightly below the ABC score at the same time last season.

ABC-TV status: Late last week, ABC-TV pointed out some qualifying factors to the Nielsen report which, the network felt, short-changed it. According to research vp Julius Barnathan, the rated period (2 weeks ending Oct. 18) was “the most atypical” of the new season and was actually “a transition period” during which most of ABC's new shows were making their debut. The World Series games, ABC-TV also stated, gave NBC-TV a strong program lead-in during the rated period on a Tues. night “which we usually dominate.” Referring to ABC's rating hop between the 2nd Nielsen report for Oct. 1958 and the first Nov. report (up from an average rating of 17.3 in the former to 19.5 in the latter), and recent strong ABC performance in Nielsen's 24-market studies, Barnathan stated “there is no question that the trend is in our direction.”

One-hour film shows: A total of 31 live or film program series in the 60-min. bracket drew an average-audience rating of 19.4 in the new Nielsen report, out-rating 30-min. shows (which averaged 18.4 for 87 shows) and rivaling 4 series in the 90-min. bracket which averaged 19.9. Obscured in the relatively good 60-min. average was a real jolt for program planners. For the most part, new 60-min. film shows—in which ABC-TV is a primary investor this season—were drawing disappointing ratings, getting an average-audience level of 16.7. Hard-hit by the Nielsen figures was the latest crop of 60-min. film shows in the Warner Bros.-ABC entente (*Alaskans*, *Bourbon St. Beat*, *Hawaiian Eye*) which scored a 3-program average audience of only 15.3. ABC was quick to defend its 60-min. entries, however, with network researchers pointing out that ratings for the second show in the *Adventures in Paradise* series—a 20th-Fox show roundly panned by critics—“were 20% higher than for the first week.” A further gain has already been made in the 24-market Nielsen reports which has not yet been reflected in the national measurements, ABC added. In competitive markets, the ABC 60-min. shows are still rolling up strong scores, with the Nov.

11 telecast in the *Hawaiian Eye* series scoring a 33.0 share-of-audience level against a 33.3 for *The Perry Como Show* on NBC-TV, which has generally ruled the roost for the time period.

Program-type standings: A comparison of the rating levels of basic program types in the new Nielsen report with those of the comparable Oct. 1958 report also gave program planners much to think about. The overall rating trend was off. The average audience for all 30-min. shows slipped from a 1958 level of 19.7 to the 1959 figure of 18.5. Hour shows also dropped slightly, from a 20.8 average audience figure to 20.1. Quiz & audience participation shows were off (from 18.9 to 17.1); 30-min. adventure shows dropped badly (from 18.4 to 12.3); 30-min. Westerns stumbled from 25.2 to 22.1, although 60-min. Westerns held up well (23.9 vs. 23.8 this year). Situation comedy was down (from 21.7 to 20.1) and so were 30-min. suspense dramas (from 20.2 to 17.2). Gains were few, principally among general drama and variety shows, and among the catch-all category of “other” programs into which Nielsen drops news specials and public affairs programs, as well as shows that defy standard categorization.

The top 10: Westerns, despite a slight decline in the ratings of shorter-length outdoor sagas caused mainly by the influx of newcomers, were still the national champions. In the top 10 Nielsen average-audience ranks, Westerns took win, place & show honors (*Wagon Train* with 37.4, *Gunsmoke* with 35.7, *Have Gun, Will Travel* with 33.1). One other—*Wanted—Dead or Alive* with 29.8—landed in 6th place. Comedians Danny Thomas, Bob Hope and Red Skelton also made the top ranks, as did the World Series and *Perry Mason*.

Daytime standings: CBS-TV is still acknowledged by the other 2 networks as the daytime rating leader. (Nielsen figures aren't always available, since some daytime network shows are sustaining.) ABC-TV, which ordered a complete set of Nielsen national figures for the noon-4 p.m. period, found its daytime lineup scored a 19.2% share of audience—up 3% from the 18.7 share earned by ABC-TV during the July-Sept. 1959 period. The figures represent a “typical” level, with ratings for special daytime pre-emptions (Khrushchev coverage, National League play-off, World Series) during the second Nielsen rating period for Oct. eliminated.

Eastman Kodak, a charter member of the Motion Picture Producers Assn., will contribute \$100,000 to help underwrite the cost of the 1960 Academy Awards telecast of the Academy of Motion Picture Arts & Sciences. This more than offsets the withdrawal by Universal-International from industry sponsorship of the event (seen on NBC). Academy Pres. B. B. Kahane explained that although ordinarily Eastman does not join in sponsorship of the event, when UI pulled out, the film manufacturer came up with its offer. Eastman emphasized to the Assn. and Academy that it does not want nor expect any mention of the company and that the show is to remain a non-commercial venture with no plugs.

Reality out-rated fiction recently in Miami, when WTVJ aired a locally-produced public affairs series, *Honky Tonk*, dealing with the seamier side of Miami's after-dark life and police attempts to clean it up, in prime time against *M Squad* and a Khrushchev telecast on the city's 2 competing TV outlets. *Honky Tonk* drew a 21.3 in an overnight ARB rating to a 21.1 for the fictional Chicago cop and a 7.0 for the Soviet Premier.

MORE QUIZ REPERCUSSIONS: Outside the Washington quiz arena last week, the hearings continued to stir up headlines, public comment, and other probes as everyone from major advertisers (see separate story on ANA, p. 6) to onetime quiz contestants either got into the limelight—or tried to get out of it.

DA Frank S. Hogan began studying rigged quiz shows early last week in N.Y. with “a view to a Grand Jury presentation.” Hogan, who had stated earlier that of 150 persons who testified before the Grand Jury “maybe 50” told the truth, publicly invited those suspected of lying to change their testimonies. Nearly 30 expressed interest in doing so. Hogan is also conferring on fraudulent commercials and alleged kickbacks by contestants for getting on a program. Questioned Nov. 11 on the latter was Jan Murray, host of NBC-TV’s *Treasure Hunt*, on which program the network claimed it had uncovered kickbacks.

In St. Louis, where he was addressing a convention of the American Assn. of Land-Grant Colleges & State Universities, CBS Inc. Pres. Dr. Frank Stanton reiterated his belief that the quiz scandals called for action. Stanton proposed “a searching re-examination of our basic operational theories & practices across the board . . . to find out more about our inadequacies, our weaknesses, our soft spots.” TV, he added, “cannot afford the luxury” of a slow evolution and the usual growing pains of new media.

Not the least of the post-quiz problems confronting networks, production companies and sponsors, is that of individual lawsuits involving millions. Some have already been filed: \$540,000 sought from Barry & Enright, NBC and Procter & Gamble by Richard K. Clark, \$22,500 winner on *Tic Tac Dough* who claims that his reputation had been seriously damaged by the rigging, and that he was deprived of winning a potential \$40,000 because his opponent had allegedly been given assistance; \$1.2 million sought by 21-loser Ethel Davidson, former asst. U.S. attorney, from NBC, Barry & Enright, Pharmaceuticals Inc., and Herbert Stempel, to whom she lost on the air. Miss Davidson charged she was deprived of winning large sums of money, and that she was subject to “humiliation & disgrace” as well as “public scorn & ridicule.”

* * *

Lorna Hahn, Temple U. history instructor, who lost to Teddy Nadler on *\$64,000 Challenge*, plans to file in U.S. District Court a suit against the show’s producers & sponsors as well as CBS for \$563,000 in damages, claiming disclosures of rigging have “cast a shadow on her integrity & reputation and have hurt her professional standing.” Nadler has emphatically denied receiving help in advance.

Ex-21 producer Albert Freedman, the only person involved in quiz rigging who has actually been indicted for perjury, made a statement in Mexico City to the *N.Y. Times* in which he defended the network quizzes as being “a breath of fresh air compared with the murder & violence that saturates TV.” In rebuttal, Herbert Stempel, whose initial testimony in 1958 ignited the quiz investigations, said 21 had no merit as an entertainment or educational outlet because it was not a “real battle of wits” and was merely a parrot system of throwing out a lot of irrelevant facts.”

Rep. Steven B. Derounian (R-N.Y.), the only member of the House special subcommittee on legislative oversight who declined to congratulate Charles Van Doren on his Nov. 2 testimony (“I don’t think an adult of your intelligence ought to be commended for telling the truth”), was scheduled to discuss “TV—a Public Domain” on

WCBS-TV’s *N.Y. Forum* Nov. 15. Slated to query Derounian were 3 N.Y. lawyers, with N.Y.U. law professor Richard D. Heffner as moderator.

As legal storm clouds gathered, outsiders made post-quiz-probe headlines last week as they sounded off on various quiz topics. Two N.Y. rabbis condemned the viewing public as the “real culprits” in TV quiz rigging—for, said Rev. Dr. William F. Rosenblum “its apparent apathy, for permitting vice & violence to be brought into their homes & children’s minds.” Rev. Dr. Louis I. Newman condemned the shallow techniques of public relations & advertising, and the Rev. Dr. Hampton Adams of the Park Ave. Christian Church suggested quiz winners give an amount equal to their winnings to charity if they wanted “forgiveness.” Across the Hudson, Freehold, N.J. high school teacher Melvin C. Willett decided to apply some shock treatment to a current-affairs class which was apathetic to the quiz scandals. He staged a surprise classroom test, later admitted to class members that he had “fixed” the quiz by feeding answers to 3 students who each scored 100%. The students abandoned their apathy.

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TV & radio newsmen walked out on N.Y. Gov. Nelson A. Rockefeller in Los Angeles last week after the undeclared candidate for the Republican Presidential nomination insisted on separate press conferences for newspapermen & broadcasters—with newspapermen getting first crack at him. “This is the policy I followed since I’ve been in public office and I’m going to stick to it,” Rockefeller said. But network & local-station newsmen banded together to protest such “segregated” treatment, refusing to attend a 9:30 a.m. conference scheduled one hour after newspapermen questioned Rockefeller. Radio-TV News Directors Assn. Pres. William Small (WHAS-TV Louisville) followed up the protest. “It is the policy of our association to refuse to tolerate the ‘separate but equal facilities’ idea,” he wired Rockefeller.

“Congress says that hereafter networks must have complete control of their programs, and perhaps they are right. But only a year ago these same Congressmen were saying that the networks should be stripped of their program control because it promoted a monopoly. And perhaps they were right. Now they say networks should be subject to common carrier regulations, perhaps they are right again. But they themselves, the Federal Communications Commission, and the public, know that Federal regulation of program sources is merely a disguised form of censorship that cannot be expected to remain disguised. And in this they are also right. The whole thing grows, as Alice in Wonderland said, curiouser and curiouser.”—Excerpt from on-air editorial by Lawrence H. Rogers, pres., WSAZ Inc.

NBC News has set up a special production unit to expand news & public affairs programming and to gear such shows for commercial sponsorship. Julian Goodman, dir. of news & public affairs, will head the unit. Production teams, headed by Reuven Frank, Chet Hagan, George Heinemann & Louis Hazam, have been formed to create, plan and produce special programs. Rodney Clurman has been assigned to the unit as special-projects coordinator. In recent weeks, CBS-TV has stepped up the level of news-program planning for airing in prime time slots (Vol. 15:44, p6).

Cold-weather TV baseball is hot, reports KDKA-TV Pittsburgh. Its debut telecast of *Cuban Baseball* (Sat., 4:30-6 p.m.) snared a 13.9 special ARB rating and a 42.0 share-of-audience, in competition with a football telecast, *Bold Venture, Saber of London, and American Bandstand*.

Television Digest

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Personals: Charles S. Steinberg named CBS-TV public information vp, succeeded as information services vp by John Cowden, previously ad & sales promotion vp; Thomas Means, ad & sales promotion dir., will assume Cowden's former duties . . . William Stewart, ex-Communications Counselors, McCann-Erickson PR subsidiary, named to new post of PR dir., Metropolitan Bestg. Corp.

Sam F. Hill Jr. named mgr., CBS-TV Spot Sales Los Angeles office . . . William T. Klumb promoted from sales staff to national sales mgr., WTMJ-TV Milwaukee . . . William A. Duffield promoted from asst. operations engineer to planning dir., CBC.

Ash Dawes, formerly WTJV Miami, promoted from program-production mgr. of WLOS-TV Asheville, to operations mgr. of the station's new Greenville, S.C. studios. He will be succeeded in Asheville by Mort Cohn, WCHS-TV Charleston, W. Va., program mgr.; Russ Severin resigns as NAB field representative to become WLOS-TV Greenville station sales mgr.; Vernon Hester named Greenville technician-in-charge; Ellis Fox succeeds him as head of Asheville studio maintenance.

Lewis H. Avery, Avery-Knodel pres., elected a TvB dir., succeeding Joseph Weed, Weed & Co. . . . Robert B. McFadyen, dir of NBC-TV sales div. is speaking Nov. 16 to the Kansas City Advertising & Selling Club on "Marketing Methods for the 1960s."

Guy Corley appointed gen. mgr. also continuing as sales mgr., KLFY-TV Lafayette, La., succeeding Jerry Hamm, resigned . . . George A. Foulkes promoted from national sales mgr. to gen. sales mgr., WTHI-TV & WTHI Terre Haute, Ind. . . . Bob Edrington resigns as promotion mgr., WTVT Tampa-St. Petersburg, to join a contracting firm; Ned Jay, ex-WTVT sales development mgr., named promotion mgr., WAGA-TV Atlanta.

RCA Chmn. David Sarnoff was slated to make the principal address Sunday (15) at ceremonies dedicating the Emanuel Sacks Hematology Dept. in Philadelphia's Einstein Medical Center, in memory of the RCA-NBC exec.

A chapter on TV advertising by George Olden, CBS-TV graphic arts dir., is included in *Advertising Directions: Trends in Visual Advertising*, to be published Nov. 30 by Art Directions Book Co. (282 pp, 800 illus., \$10).

"A Pictorial History of Television," by Daniel Blum was published last week by the Chilton Co., Philadelphia (228 pp., \$10).

Meetings next week: RTES timebuying-selling seminar (Nov. 24); Henry Brenner, TV-Q pres., & Albert E. Sindlinger will speak on "What's New in Nose Counting?" Lexington Hotel, N.Y. . . . RTES luncheon (25) & symposium on ETV: Robert Saudek, Saudek Associates; John P. Cunningham, Cunningham & Walsh bd. chmn.; John F. White, NETRC pres., Roosevelt Hotel, N.Y. . . . National Assn. of TV & Radio Farm Dirs. annual fall convention (27-29), Conrad Hilton, Chicago . . . Pa. State U. first annual communications forum for bcstrs. (29-Dec. 1), Robert D. Swezey, exec. v.p. & gen. mgr. of WDSU-TV New Orleans; Sig Mickelson, CBS News pres.; Edward Stanley, NBC public affairs dir.; Ralph Renick, news v.p. of WTVJ Miami & Radio-TV News Dirs. Assn. pres.; Dr. Charles Seipmann, N.Y.U. communications education professor, will discuss "Broadcasting: The Challenge of Responsibility," State College, Pa.

"Hard-sell gimmicks" in advertising won't work on "more sophisticated, better educated, more discriminating" audiences in the 1960s, NAB Pres. Harold E. Fellows said last week. "Advertising will need to be increasingly more respectful of the consumer's intelligence & awareness," he told the Assn. of Bestg. Executives of Texas in Dallas. "If advertising is to succeed in its intent as an essential ingredient of our way of doing business, it must be geared to the idea that the consumer wants to be convinced, not 'conned.'" RAB Pres. Kevin B. Sweeney said radio will wind up 1959 with a 7% ad-dollar gain that could have ranged to 15% with a little guided effort. He criticized radio's intramedium competition for ad dollars, its indifference to threats to its rights and its failure to capitalize on its "inherent excitement."

FTC's 14-year fight to force Carter's Products Inc. to take the "liver" out of Carter's Little Liver Pills has been won in the Supreme Court, which refused to hear a final appeal by the company against charges that its advertising misrepresented the product. The FTC's case against the pills started in 1943 and had been carried up & down through the courts since. In 1953, the Supreme Court ordered FTC to hear additional evidence on the therapeutic value of the patent medicine, widely advertised in all media. Carter's again appealed when FTC ruled, after a rehearing, that its original complaint had been valid.

Obituary

George V. Denny Jr., 60, founder and moderator from 1935 to 1952 of radio's *America's Town Meeting of the Air*, died Nov. 11 in West Cornwall, Conn. of a cerebral hemorrhage. Surviving are his wife, 3 children by a former marriage, and his mother. At the time of his death, Mr. Denny was pres. of International Seminars, which took 32 leaders to South America to begin a series of international town meetings.

John M. Littlepage, 56, Washington attorney, who, like his late father Thomas P., was a pioneer radio lawyer, jumped to his death Nov. 11 from the 8th floor of the Investment Bldg. from a window near his office. The coroner issued a certificate of death by suicide. Surviving are his widow, son, daughter and brother James H., with whom he practiced law.

Josef Bonime, 69, composer, radio music arranger & conductor, who recently retired after 28 years with the McCann-Erickson radio dept., died Nov. 8 of a heart attack in Westport, Conn. He is survived by his wife, son, daughter, brother, sister and a grandchild.

Stations

2 U.S. STARTERS, 2 CANADIAN: Two new uhf stations have gone on the air in the U.S., one off-air uhf resumed operation and another was poised to start up again at week's end, which will bring the station count to 560 (86 uhf). This tally also reflects the Nov. 13 shift of WVEC-TV Hampton-Norfolk, Va. from uhf to vhf (Vol. 15:45 p12). In Canada, a new station and a satellite began operation.

The new U.S. starters are KLYD-TV (Ch. 17) Bakersfield, Cal., KNDO-TV (Ch. 23) Yakima, Wash., with WFAM-TV (Ch. 18) Lafayette, Ind., scheduled to resume operation under new ownership Nov. 15. WICC-TV (Ch. 43) Bridgeport, Conn. resumed Nov. 7, having been off air since Aug. 12 (Vol. 15:32 p7). In Canada, new outlets are CJSS-TV (Ch. 8) Cornwall, Ont., and CJCB-TV-1 (Ch. 6) Inverness, Nova Scotia.

KLYD-TV went on the air with ABC-TV programming Nov. 8 despite an accident which destroyed its RCA antenna. It's operating temporarily at 12-kw ERP with a jerry-built dipole antenna. It has a 12½-kw GE antenna on 363-ft. Stainless tower. Gen. mgr. is 20% owner Ed Urner; John Barrett, ex-KFRE-TV Fresno, is gen. sales mgr.; Bill Hoffman, local sales mgr.; Ralph E. McElroy, ex-KFRE-TV, program dir.; Vern Tucker, acting chief engineer. Base hour rate is \$300. Hollingbery is rep.

KNDO-TV has been on the air since Oct. 15 as an ABC-TV affiliate. The Yakima outlet has a 1-kw RCA transmitter, 21-gain RCA antenna on 100-ft. Stainless tower. Station mgr. is Hugh Davis; sales mgr., Gene Adams; program dir., Leo Lyon; chief engineer, Warren Brown. Base hour is \$300. Rep is Weed.

WFAM-TV, now converted to Ch. 18, was due on air Nov. 15 for new owner Sarkes Tarzian Inc., Bloomington, Ind., electronics manufacturer and owner of WTTV Indianapolis-Bloomington. The station, an interconnected CBS-TV affiliate on the extended market plan, has an RCA antenna and 650-ft. tower. A. G. Holben is mgr.; Arthur Hook, program dir.; Fred Molchin, chief engineer. Adam Young is rep.

Canada's CJSS-TV has been on the air since Oct. 18 with RCA 11-kw transmitter. It has a 600-ft. tower built by Cobra Industries, Quebec, with RCA wavestack antenna, radiating 260 kw. It has ordered an Ampex Videotape recorder. It plans to open sales office in Massena, N.Y., across St. Lawrence River from Cornwall. Ernest W. Miller is pres.-gen. mgr.; Andrew McLellan, operations dir.; William Ellison, program mgr.; Alma Larocque, traffic supervisor; James Mitchell, chief engineer. Base hour is \$225. Reps are Weed and Trans Ocean Radio & TV Reps.

CJBC-TV-1, which began last week, is a satellite of CJCB-TV (Ch. 4) Sydney, N.S., operated by remote control. It has a GE 1½-kw transmitter, Alford Antenna. J. Marvin Nathanson is gen. mgr. of the parent station, whose base rate is \$275 an hour. Reps are Weed and All-Canada.

Coast Guard objections to the location of a TV transmitter anywhere within 3 miles of its Martha's Vineyard loran station prompted the FCC last week to propose rule-making looking toward deletion of Ch. 6 from New Bedford, Mass. According to the FCC, Martha's Vineyard is the only area within which a Ch. 6 transmitter would comply with mileage separation requirements and still provide a principal city signal to New Bedford. There are 4 applicants for the channel.

Payola in L.A.: If the FCC is serious about its proposed investigation of payola among the disc jockeys, a Los Angeles TV-radio news commentator will offer names of those involved in such practices in the L.A. area. Lou Irwin, newsman for KABC-TV and KPOL, told us last week that he has already discussed with Comr. Robert E. Lee the payola picture in L.A. "I've offered to give him names of recording company executives who are disgusted with having to pay everytime they want a record on the air. Several are willing to testify at an investigation of the payola racket," said Irwin. "I'll give Lee the names only if there is to be a deep investigation. Those companies paying the d.j.'s are violating FCC regulations by not reporting it as commercial time.

"I'm sure at least 3 d.j.'s in Los Angeles are on the payola," Irwin continued. "Record company executives tell me they pay off in money, loot or both. I have been told there is not one d.j. who won't take loot, if not money. And loot can be something like a \$1,000 Christmas present."

On the subject of free plugs, Irwin said he had interviewed "give-away king" Adolphe Wenland, whose job it is to get free plugs for his products. Wenland told how he does "favors" for writers on network shows to get the free plugs. He freely admitted bribing writers, and specifically bragged about a recent Jack Benny show, on which he had one of his accounts (Lifesavers) plugged.

Irwin was scheduled to fly to Washington over the weekend to tape an interview with FCC Comr. Lee.

Democratic ad agency for the 1960 Presidential campaign will be San Francisco-based Guild, Bascom & Bonfigli, which expects to handle about \$3 million in billings—principally TV—for the account. Miss Reggie Schuebel, Guild, Bascom vp who worked for the Democrats in 1956 when she was with Norman, Craig & Kummel, will supervise next year's broadcasting campaign. Selection of Guild, Bascom was announced by Democratic National Chmn. Paul Butler following a less-than-lively competition. Some agencies were reported to have shied away from the account because major clients are Republican-oriented. J. Leonard Reinsch, managing dir. of the Cox Stations (WHIO-TV & WHIO Dayton, WSB-TV & WSB Atlanta, WSOC-TV & WSOC Charlotte) and TV-radio adviser to the Democratic National Committee, aided Butler in the choice. The Republicans haven't yet named their agency, but BBDO has had the GOP account in recent years.

Free TV-radio time for political parties during the month prior to the 1960 Presidential election was proposed last week by N.Y. State Democratic Chmn. Michael H. Prendergast. Explaining that TV-radio time expenses made up about 45% of both parties' campaign costs, he suggested that network-party conferences be held immediately to arrange a free air time arrangement. Such an agreement, he said, would "eliminate a huge financial burden which . . . could conceivably lead to a political monopoly of the wealthy candidate or monied contributor."

TV-radio newsmen would enjoy same immunity as newspaper reporters from disclosing sources of information, under a bill passed by the Pa. state Senate & House. The House version passed last week requires TV-radio stations with employes claiming immunity to keep "an exact recording, transcription, kinescopic film or certified written transcript" of every broadcast for a year. The Senate had proposed that records be kept for 2 years. It's expected to concur with the House amendment.

A Briton Looks at U.S. TV: One of England's top TV authorities took a searching look at U.S. video last week, handed it both a pat & a rap on the head, called for a program-exchange agreement and completely captivated the RTES newsmaker luncheon in N.Y. Nov. 11. A TV "trans-Atlantic thruway," for the production & exchange of TV films between the U.S., Great Britain & Canada was predicted by Norman Collins, deputy chmn. of Associated TV Ltd. of England in his address. "Government regulations of quotas for foreign products, trade union objections to foreign crewing, complicated analyses to determine the proportion of foreign talent are tragic indications of old fashioned & obsolete thinking," said Collins. With independent TV starting in Canada and ATV's programming in England, the thruway should be realized, he said.

Noting that it would be "palpably dishonest of me if I were to plead ignorance of the current crisis within American TV," he warned against any sentiment for a govt.-operated TV network, as suggested recently by the *Christian Science Monitor*. "To my mind," Collins said, "that would be as damaging to the world image of a free America as to propose the introduction of a government newspaper simply because some of the commercial newspapers weren't as good as someone in TV thought they ought to be."

FCC "brush-off" of labor has been protested by AFL-CIO associate gen. counsel Thomas E. Harris in a complaint that the Commission did nothing to discipline WNEW-TV N.Y. & WTTG Washington for alleged public-service programming "perversion." Harris said FCC's failure to move against the Metropolitan Bestg. Co. stations for an allegedly one-sided panel discussion of "labor corruption" Aug. 25 (Vol. 15:37 p7) illustrated its "see-no-evil, hear-no-evil, speak-no-evil approach to the broadcasting industry." In reply to the AFL-CIO's original protest against the show, which featured Sens. McClellan (D-Ark.) & Ervin (D-N.C.), Metropolitan told FCC that the AFL-CIO never asked WNEW-TV or WTTG "for an opportunity to present the other side of the case—if there is another side to labor corruption."

Anti-quiz-rigging laws "might be detrimental to the operation of our present free system of broadcasting," NAB govt. relations mgr. Vincent T. Wasilewski warned recently. In a speech to the 2nd annual Freedom of Information Conference at the U. of Mo. journalism school, Columbia, he said the "seriousness of the quiz show matter is self-evident and has been candidly acknowledged by industry leaders." But he added "it would be unfair to the American people" if "all the critics of this medium" used the quiz scandals as a lever to get legislation carrying out "their various theories & pet projects."

Transmitter fire at KXLF-TV Butte, Mont. has knocked the station off the air for "about a month," according to pres.-gen. mgr. E. B. Craney. In addition, satellites KXLJ-TV Helena & KFBB-TV Great Falls will be without the network service which KXLF-TV has been feeding them. They will continue with locally-originated programs. The fire began about 2 a.m. Nov. 9 and completely destroyed the equipment, reported Craney. The site, atop the Continental Divide, is extremely difficult to reach.

Viewer attitudes toward brands, before & after exposure to TV commercials, will be measured in Schwerin Research Corp.'s new "brand portrait" analysis of commercial effectiveness.

Top 100 Get 90% of TV's Dollars: Telecasters in the top 100 TV markets account for approximately 90% of total TV-station revenue, concludes a survey by Richard P. Doherty, ex-NAB vp and now a management consultant to broadcasters. During 1958, his study established, the top-100-market stations also attracted 90.08% of national-regional spot-TV advertising and 79.22% of TV's total "local" business.

The earning power of stations in the top 75 TV markets is even more pronounced. To these stations in 1958, Doherty reports, went 78.87% of the TV industry's total station revenue, 84.72% of total national-regional spot advertising, and 81.18% of the total network dollars paid to the industry's 516 stations. These top-75-market stations also sold 71.34% of total "local" TV advertising.

* * *

Spot-TV 1-min. rates were raised by more than half of the nation's commercial stations by the end of 1959's third quarter, *Media/Scope's* Nov. issue reports. Increases ranged from 3% to 163%, and only 2 TV stations lowered their min. rate during the same period. The upward trend was also at work in other media. During Jan.-Sept., 29% of all daily newspapers raised rates. One in 5 radio stations changed rates, with twice as many raising as lowering. An advertiser who spent \$100 in spot TV during Sept. 1958 would have to pay \$113.23 in Sept. 1959 to maintain the same schedule, said the study.

Polaroid's commercials, spotted as network participations in shows starring such personalities as Jack Paar, Dave Garroway and Garry Moore and in film-spot carriers (*Adventures in Paradise*, etc.) are now drawing nearly ¾ of that company's total \$2.5-million ad budget. Polaroid's preference for completely live or live/tape commercials is based on its use of name personalities to demonstrate how the camera delivers a finished photo in 60 sec. The suspense element (will the camera work?), Polaroid ad officials believe, heightens audience attention.

Federal TV & radio network proposed in West Germany as competition to systems operated by its 10 states has been rejected unanimously by the Bundesrat, upper house of the legislature in Bonn. Composed of representatives of the states, the Bundesrat turned down a govt. bill for the national network despite arguments that TV & radio have become too big for the states themselves to handle. Just before the vote the Soviet Union filed a formal protest against a plan by Chancellor Adenauer's govt. to establish radio HQ for the network in West Berlin.

Sales gains at WRCA-TV of 19.3% for Oct. 1959 over Sept. and 17.5% for Jan.-Oct. 1959 over the first 10 months of 1958, were announced recently by station mgr. Max E. Buck. New-to-TV advertisers currently on N.Y.'s Ch. 4 include 3 retailers of men's suits, as well as "a bulk of motion picture & Broadway play" advertisers. All N.Y. stations, with the exception of WNTA-TV, report they are in a profit position, with average sales increase over last year exceeding 25%.

Branham Co. has been named to represent the Forward Group stations: KGLO-TV & KGLO Mason City, Ia.; KHQA-TV & radio WTAD Hannibal, Mo.-Quincy, Ill.; WMTV Madison, Wis.

Drop-in of educational Ch. 13 in Fargo, N.D. was requested by the Joint Council on Educational TV in a petition filed with the FCC last week.

Who Are Broadcasters? NAB and the Assn. for Professional Broadcast Education are setting out on a joint research project to find out just what "kind of people we have in broadcasting."

Starting in Jan., researchers based at the U. of Ore., Eugene, will send out questionnaires to a sampling of 6,000 of 85,000 employes—supervisory & non-supervisory—of the TV-radio industry, selected at random from 2,500 stations. "The purpose is to learn more about the training, the attitudes, the backgrounds and the progress of those who work in our industry," said NAB personnel & economics mgr. Charles H. Tower in announcing the jointly-financed study.

Findings are expected to show: (1) Correlations between broadcasting job-experience & job-success. (2) Relationships between educational background & success. (3) What university-level training is needed for TV & radio. (4) Attitudes of employes toward the industry. (5) Shortages of broadcasting skills.

Quick action by WLOS-TV & WLOS crews minimized disruptions to the Asheville, N.C. stations when all cable facilities were cut off recently by a bulldozer working on a new superhighway. WLOS-TV lost its ABC-TV network feed and the radio station was thrown completely off the air, while all telephone communication to the stations was cut off. Chief engineer George Sprague quickly arranged for TV microwave direct from the phone company to the station, but had to send a driver 78 miles by auto & cable car to WLOS-TV's mountaintop antenna location to get the equipment—with police escort. The station lost only one hour of network programming, but remotely-controlled radio WLOS was knocked off the air 2½ hours.

Independent WPIX N.Y. is developing its own local version of the network-level trend toward long-length specials. It has sold two 90-min. pre-holiday children's programs to Remco, electronic-toy manufacturer. The first show, "March of the Wooden Soldiers," was slated for Nov 15 telecast. The shows, produced by WPIX and built around a combination of juvenile-slanted live action & films, mark the toy firm's entry into TV, bearing out a prediction made earlier this year by TvB that the coming pre-Christmas season will see many toy firms in TV.

News-gathering exploits of WJZ-TV Baltimore will be analyzed this week (19) in a 15-min. special narrated by news dir. Keith McBee, produced by assistant news dir. Gary Franklin. Spotlighted will be the station's TV coverage of the airliner crash in Va. several weeks ago. One member of WJZ-TV's on-the-scene team was the only reporter with the first rescuers to reach the plane and find its lone survivor.

RAB is stepping up its Canadian activities and will increase its services to Dominion members, pres. Kevin B. Sweeney announced last week. Heretofore, Canadian outlets got only RAB printed material. Under the expansion program, they may draw from RAB's \$3-million data library, will have 2 or 3 area sales clinics in Canada next year, will get more services as more Canadian stations join.

Mutual has signed 5 new affiliates this month: WRIB Providence, R.I., WTYM E. Longmeadow, Mass., WKXV Knoxville, WTMC Ocala, Fla., and WBOW Terre Haute.

CKOS-TV Yorkton, Sask., will be interconnected by microwave to the CBC-TV network Nov. 28.

RCA uhf pylon antenna was shipped Nov. 10 to WKST-TV (Ch. 33) Newcastle-Youngstown.

Assn. of Maximum Service Telecasters will finance 2 engineering projects, to be conducted by Ia. State U.'s engineering experiment station at Ames, Ia. The MST board made the announcement after meeting in Washington last week. A one-year study of uhf signal propagation will begin in Jan., and a 3-month project to determine the extent & severity of adjacent-channel interference will begin Dec. 7. Dr. William L. Hughes, prof. of electrical engineering at Ia. State U., will head both projects. Ia. State U. engineering dean Dr. George Town, former exec. dir. of the Television Allocation Study Organization, said the adjacent-channel project will consist of house-to-house interviews to observe picture quality & measure signal strength in areas where stations operate on adjacent channels in close proximity to each other. New MST members, approved last week, were WRGB Schenectady, WTVD Durham, N.C. and WIBW-TV Topeka, Kan.

Waiver of TV-radio tower-painting rules was sought by WHAS-TV (Ch. 11) & WHAS Louisville last week. Under present FCC regulations, all antenna structures taller than 170 ft. must be painted by Jan. 1, 1960 with alternate, equal-width, bands of orange & white. The Louisville stations, which have been cooperating with the Federal Aviation Agency in testing different color schemes to determine which is best in high visibility for aircraft pilots, now has its radio tower painted black & white. The petition states that FAA is interested in testing the black & white tower but can't do so until budget arrangements are completed. Since final results of the FAA test would come after the tower-painting deadline, WHAS seeks the waiver to preclude repainting its tower at a cost of \$10,000.

WFAA-TV & KRLD-TV Dallas' 1521-ft. tower will soon double as a meteorological research structure for the Geophysics Research Directorate of the AF Cambridge Research Center. An automatic sensing & recording system, being built by Texas U. electrical engineering research lab, will measure & record winds & temperatures at 12 levels, beginning at 30 ft. The system, claimed to be the first of its kind, will study an atmospheric characteristic known as the low-level jet, which is said to result in a sharp increase in wind speed at a certain level, especially between midnight & sunrise.

Digital TV transmissions, claimed to have spectrum-saving & uhf-aiding potentials, according to Bureau of Standards engineer William C. Coombs and others (Vol. 15:42 p9), is the subject of a long article in the Nov. 2 *Electronic News*. The magazine reports the work of Colorado Research Corp., Denver, under a \$276,000 Army Signal Corps contract. In the article, CRC Pres. Dr. Richard C. Webb says the system shows particular promise for space technology and "may be capable of giving new life to commercial uhf TV broadcasting." He and exec. v.p. Burton T. Kehoe claim its greater resistance to noise and its extended range would overcome the problems of past uhf performance and "consumer receivers would require only an inexpensive converter between antenna & set."

Public Interest Award of the National Safety Council goes this week (16) to 9 TV stations "for exceptional service to farm safety." The recipients: WBBM-TV Chicago; WIBW-TV Topeka; WAVE-TV Louisville; WHDH-TV Boston; KFEQ-TV St. Joseph, Mo.; WDAF-TV, Kansas City, Mo.; WSJS-TV Winston-Salem, N.C.; KGW-TV Portland, Ore.; and educational WUNC-TV Chapel Hill, N.C.

Power boost: WKYT (Ch. 27) Lexington, Ky., is now operating at 215 kw from its new studio building.

Film & Tape

Desilu Negotiations Confirmed: B. Gerald Cantor, chmn. of National Theatres & Television, last week officially confirmed our exclusive disclosure (Vol. 15:45 p16) of negotiations to buy Desilu. Said Cantor: "It is true that there have been discussions between NT&T and Desilu studios with a view toward NT&T acquiring a majority stock interest. It is also true that we are constantly searching out new opportunities to further increase the value of our corporate assets, typified, for example, by NT&T's recent acquisition of National Telefilm Associates Inc. Discussions with Desilu at this time are in the most preliminary stage, and we can make no further comment."

It's known that NT&T is studying Desilu's prospectus and surveying the company's assets, particularly its 3 studios—Desilu Gower, Cahuenga and Culver. Desilu pres. Desi Arnaz will return from Rome (where he is starring in a telefilm) late this month and it is expected that negotiations will resume on a full-scale basis then.

Besides NT&T at least 3 other major companies have shown interest in purchasing the controlling stock of Desilu Productions, we're informed by Desilu exec. v.p. Martin Leeds. He declined to name them, but indicated that at least one was a major film studio. Chief beneficiaries of the sale would be Desilu's Desi Arnaz & Lucille Ball, of course, since the husband & wife comedy team owns 565,000 shares (49%) of the company. Leeds holds 35,000 shares. The rumor that the impending sale is due to matrimonial difficulties is quashed by both Mr. & Mrs. Arnaz, both of whom have firmly denied that there will be a divorce.

Quiz Fuss May Help Film: Righteously aloof from the quiz scandals, some Hollywood telefilm production executives think they will benefit from the "mess in Washington." They expect that many of the quiz shows taken off will be replaced by film.

Now that the investigations, recriminations and self-castigations have gone beyond quizzers to other types of live programming, the telefilmmers believe live TV is on the ropes. "We had the bulk of programming even before all this started. Now there will be even more filmed shows," remarked one executive. But another took into account "certain sponsors who can't afford film series, or who prefer live TV to film—particularly those using specials."

But the most accepted viewpoint in Hollywood is that while live TV will suffer and film will benefit from the quiz scandals, film's generally mediocre quality this season will prevent any rush to it. Telefilm's initial direct benefit from the quiz scandals came last spring when *Dotto* was axed on CBS, and Desilu sold 5 pilots for \$125,000 to fill the void. None of the pilots made the grade, but the fast sale enabled Desilu to recoup part of its production costs.

Sindlinger & Co. reported movie-theater attendance in Sept. increased 16.3% over Sept. 1958, while the number of viewers of old movies on TV dropped 16.1% during that month. In the second week of Sept. 1959 movie theater attendance experienced its "greatest year-to-year gain" of 23.3%, while TV audience for old movies decreased 18.7%, compared to last Sept., says Sindlinger. Also noted was average daily attendance at movies for the month (18.2 million) compared to average daily audience for old movies on TV (25.8 million). The figures pertain to persons 12 years of age and older.

Writers Guild's Proposals: In a comedy of errors, it leaked out in Hollywood last week that Writers Guild of America has proposed or "suggested" to movie producers a post-1948 movie-to-TV formula involving all the talent guilds. This brought a "no comment" from Screen Actors Guild and from Screen Directors Guild: "We don't know anything about it, but we won't try to negotiate for any other guilds in our talks."

The leak came from KTLA attorney Harry Warner, who told of the formula at a TV Academy meeting held ostensibly on the subject of TV commercials. How WGA's proposal got into the discussion remained a moot point, but it was a well-planned leak, Warner authorizing KTLA press agents to release the story before the meeting was held.

Warner said WGA has proposed that the guilds get 25% of the net or 15% of the gross of post-1948s released to TV. Of the 15%, 2.4% each would go to writers & directors, 7.2% to actors and 3% to the IATSE and other craft unions. The formula further provides that a producer would not have to pay until he recouped his negative cost. It sets 40% as the distribution fee for movies sold to TV. Of the remaining 60% the guilds would get 25%, which would break down to 4% each for writers & directors, 12% to actors and 5% to the IATSE & other crafts.

A Writers Guild spokesman immediately disavowed Warner's statement, denying that the Guild had proposed such a formula. Of Warner, he said, "He is not talking for the Guild. Why does this station lawyer indirectly working for a major studio [Paramount owns KTLA] make proposals on behalf of the guilds? He had no right to talk for us. We don't attempt to speak for the other guilds."

Said Warner: "The Guild made these proposals to the producers. I had talked to the Guild about them, and they told me their proposals. Now they're upset."

Said independent movie producer Walter Mirisch of the Mirisch Co., one of 7 independents which have signed a new agreement with WGA: "Yes, this post-1948 formula was suggested by the Writers Guild. However, this depends on the reaction of the other guilds. It also depends on whether or not the majors will accept, because our agreement is conditional on industry-wide acceptance."

It was evident the Writers Guild had a sloppy script on its hands, that indirect negotiations involving the other talent guilds had antagonized those organizations. "Each guild has its own problems. We don't try to solve theirs, and we don't expect them to solve ours," remarked Joe Youngerman, SDG's exec. dir.

Meanwhile, 2 more independent movie companies, James Hill and Lomitas Productions, the latter owned by Stanley Kramer, signed contracts with the Writers Guild.

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Endorsement of Coty Inc. Pres. Philip Cortney's recent statement that sponsors should not control TV programs was expressed last week by Edmund L. Hartmann, national chmn. of Writers Guild of America. He wrote Coty of the Guild's agreement with him and commented that "year by year sponsors & agencies seem to take over more . . . supervision of stories, characters and even dialogue."

Ziv's *Sea Hunt*, which recently began a 3rd year of shooting, has a 63-market lineup to date for the new films, including regional renewals by Standard Oil of Cal. and Heilemann Brewery. The score represents about 1/3 the markets in which *Sea Hunt* is aired. In its 2nd year the syndication series drew a 93% renewal record.

HOLLYWOOD ROUNDUP

Filmaster Stock Issue: Producer Robert Stabler last week consolidated three TV film companies he owns into one and is floating a \$2,461,238 common-stock issue under the name of the newly-formed company, Filmaster Inc. More than 50% of the money realized from the stock sale will go to underwriting 3 new telefilm series of 26 episodes each, and Stabler will also seek more TV film commercial & military business. He is opening an office in Orlando, Fla., to get some of the film business deriving from missile work in that area, and has named Charles E. Skinner vp in charge of this office.

James L. Fallon, pres. of Standard Securities Corp., which is handling the public stock issue, joins the new corporation as chmn. Stabler is pres.; Nat Perrin remains vp for entertainment programs; William H. Fitzsimmons is TV commercial vp; Glenn N. Cook is vp; Clifford E. Enger, secy.; Edward J. Baumgarten, treas.

Stabler originally formed Filmaster Productions to film *Have Gun—Will Travel* and *Gunsmoke* for CBS. Later he began Filmmercial Productions for commercials and Filmaster Features. He no longer has the 2 Western series with which he began the company, but is producing *Death Valley Days* and *Hannibal Cobb*. Filmaster Inc., leasing space at Republic, has a \$10 million capitalization.

Cantor Heads NT&T: B. Gerald Cantor, pres. of Cantor, Fitzgerald & Co. Inc., last week was elected pres. and chief executive officer of National Theatres & Television, succeeding John Bertero, who has been NT&T president since Oct. of last year. Cantor is giving up his post as pres. of his investment company (but will continue as chmn.) so that he may devote full time to his new position. Bertero, who remains on the bd. of directors, will serve NT&T as a special consultant.

Without Edd "Kookie" Byrnes, Warner Bros. was filming its 77 *Sunset Strip* series last week. He refuses to work pending a contract readjustment (Vol. 15:45) The studio put Byrnes on layoff, not suspension, supposedly because meetings were being held last week between WB production chief Jack L. Warner and Byrnes' agents, the William Morris Agency, with the studio hopeful for a settlement. While WB and Byrnes aren't far apart in some areas (such as a raise), they are in others, dealing specifically with public appearances and TV guest shots. Byrnes has been offered as much as \$15,000 for TV guestings, but spurns them because WB gets the money. This was one of the factors which irked WB's *Maverick* star James Garner considerably, but he had his contract readjusted so that he now splits such revenue with the studio 50-50.

Producer Al Scalpone has acquired *My Love Affair With the State of Maine* as a series for his La Mesa Productions. CBS originally had the property, but let its option lapse. Scalpone will reshoot his *Man on the Beach* pilot, Dewey Martin starring. He also plans a series with producer-writers Richard Sale and Mary Loos.

Desilu Productions is preparing the pilot of an untitled 60-min. situation-comedy series written by Madelyn Pugh Martin & Bob Carroll. The producer is Cy Howard . . . 20th-Fox TV has signed Robert Bassing to develop a new series, *The First 100 Years*.

NEW YORK ROUNDUP

Blanket U.S.-Canadian order for UAA's *Big Mac Show*, 30-min. syndicated children's film show featuring 210 unreleased Warner Bros. comedies, has been made by National Biscuit Co. Nabisco's order is for 26 weeks in "any U.S. or Canadian market in which the program is sold," regardless of the customary requirements of station, market or time period. UAA is now contacting stations to reserve the show, generally sold to spot advertisers, in as many markets as possible.

CBS Films is running 21% ahead of 1958 on a market-by-market sales basis. In the last 9 weeks *The Phil Silvers Show* has been sold to 38 stations, *Trackdown* to 27, *Whirlybirds*, 24, *San Francisco Beat*, 20, and *Amos 'n' Andy*, 18 stations . . . CBS Films' *Rendezvous* has been bought by Dow Chemical Co., for *Saran Wrap*, in 5 Canadian markets . . . CBS Newsfilm's daily news & sports coverage picked up 7 new subscribers including 3 U.S. & 4 foreign stations.

ABC Films sold 1st & 2nd year episodes of its *26 Men* in 7 more markets last week, for a total of 190 markets.

Essex Universal Corp. has sold, through International Radio & TV Programs, the *Superman* rerun syndication series to 22 commercial Japanese stations & Okinawan TV.

Marlene Dietrich, who came close to signing earlier this season as Revlon's Betty Furness of *The Big Party*, will star in a 90-min. color variety show being filmed by Bartell TV Productions in Paris. Orson Welles is producer. No sale has been reported.

Sam Cook Digges, administrative vp of CBS Films, was toastmaster Nov. 7 at the annual luncheon of the Benevolent Society for Retarded Children . . . Claire J. Catalano has been named production supervisor of all Trans-Lux Film Enterprises . . . Marge Kerr, ex Y&R casting dir., has formed People & Productions Inc., 750 Third Ave. (MU 7-0440). P&P will do TV casting & talent consultation . . . Al Eugster will head Animation Central, consultancy div. of Gifford-Kim Productions.

Al Neuman, new *Person to Person* producer, is visiting Paris & London to tape several interviews . . . Pee Wee Reese has been signed as co-broadcaster on CBS-TV's *Game of the Week* for the 1960 baseball season.

Screen Gems is developing 4 new properties for syndication, the first of which will be an adventure series to debut in Jan. starring Charles Bateman. The others are telefilm series based on the experiences of a criminal lawyer, *Indemnity* (adventures of insurance investigators) and *The DEW Line* (Distant Early Warning system).

CBS-TV is presenting *The Red Rowe Show*, a new daytime musical variety program, in the 10-10:30 a.m. slot starting Nov. 16 . . . Jack Benny has helped raise over \$1.7 million for musical benefits in the last 3 years. His latest appearance with the St. Louis Symphony Orchestra (Nov. 10) raised \$41,300 . . . Voice of America will re-broadcast the audio portion of ABC-TV's "Salute to Dr. Thomas A. Dooley," telecast Nov. 10.

Nearly 20 mobile TV-tape units are now in operation, reports the current issue of *Ampex Head Lines*, house organ of Ampex Professional Products Co.

Trade Report

NOVEMBER 16, 1959

INDUSTRY'S FINANCIAL HEALTH: EXCELLENT: In page-one story last May, we made guarded prediction that "1959 may be electronics' top year" (Vol. 15:20). Now that most 3rd-quarter income statements have been issued (and reported in our Finance section), it is possible to change "may" to "will"—notwithstanding effects of steel strike and anticipated lower sales & earnings during 4th quarter.

Paced by excellent consumer electronics business, TV-electronics industry's sales & earnings almost universally continued to soar during 3rd quarter (as compared with 3rd-quarter 1958), while profits of all industries in general were up only moderately compared with year-ago period.

Our quarterly analysis of reports of 22 "weathervane" TV-electronics companies shows their aggregate 3rd-quarter after-tax profits up nearly 23% compared with 3rd-quarter 1958. And this is no comparison with a recession period—summer 1958 saw most companies emerging from first-half's economic doldrums. Earlier weathervane surveys this year indicated industrywide first-quarter profits up 22% over 1958 period (Vol. 15:20 p1), 2nd-quarter profits up 29% (Vol. 15:33 p15).

While 3rd-quarter profits were up 22.9% (vs. 4.7% for an all-industry sample of industrial companies by Wall Street Journal), the 3-month sales of these firms increased 12.5% over last year—graphically demonstrating more operating efficiency resulting in greater profit per sale.

For first 3 quarters of 1959, profits of electronics firms sampled were up 24.2%, on sales 11.3% higher than same 1958 period. About one-third of the companies in tabulation reported new records in sales and/or earnings for 3rd quarter or 9-month period. Here's how the 3 subdivisions of our TV-electronics company list made out in the 3-month & 9-month periods:

Eight companies on the list are known primarily as TV-radio manufacturers—even though some of them are substantially diversified into other fields. This consumer electronics group reported 3rd-quarter profits up 34.1%, sales up 23.4% over 1958. For 1959's first 9 months, earnings of the 6 consumer electronics firms which reported full 3-quarter results were 120.3% above same 1959 period on 27.8% higher sales.

Companies included in consumer electronics group tabulation: Admiral, Hoffman, Magnavox, Motorola, Philco, Siegler, Wells-Gardner, Zenith.

Components manufacturers continued to show biggest 1959-over-1958 improvement. Their aggregate 3rd-quarter net was up 58.4% on 21.4% higher sales, while 9-month earnings showed a 133.2% increase on 28.4% greater sales.

The 7 firms in our components group (6 represented in 3rd-quarter tabulation, 5 in 9-month score): General Instrument, International Resistance, Mallory, Muter, Oak, Speer Carbon, Standard Coil.

The widely diversified electronics companies, as might be expected, showed smallest gains, but among the 7 firms represented, the 3rd-quarter increase still amounted to 20.8% rise in profits on 10.6% more sales than 3rd-quarter 1958. For first 9 months of this year, aggregate net profits were up 18.7%, while sales rose 9.2% over the same 1958 period.

Diversified electronics group in our tabulation consisted of Daystrom, GE, General Telephone & Electronics, RCA, Raytheon, Thompson Ramo Wooldridge, Westinghouse.

Every company in our 22-firm tabulation showed higher 9-month profits & sales in 1959 than in 1958, and only 3 firms (one in each of the consumer electronics, components & diversified groups) reported lower 3rd-quarter profits this year than last.

What of the 4th quarter? From our talks with company officials, reports to stockholders, etc., indications are that many electronics firms look for 4th-quarter profits to be somewhat lower than 3rd quarter. But some consumer electronics companies still expect 4th-quarter sales & earnings to be best of year.

This table summarizes our 1959-vs.-1958 comparison of operating results of the 22 TV-electronics weathervane firms in terms of aggregate increases over 1958:

	3rd Quarter		First 9 Months	
	Net Profit	Sales	Net Profit	Sales
Consumer Electronics Group (8 companies)	+34.1%	+23.4%	+120.3%	+27.8%
Components Group (7 companies)	+58.4%	+21.4%	+133.2%	+28.4%
Diversified Group (7 companies)	+20.8%	+10.6%	+ 18.7%	+ 9.2%
AGGREGATE 22 COMPANIES	+22.9%	+12.5%	+ 24.2%	+11.3%

TV SET PURCHASES 'RE-DEFERRED'? One of TV industry's most respected market-research departments has pared its 1959 TV-set-sales projection from 6.3 million units down to 5.7 million—conforming pretty well with our 5.8-million forecast of 3 weeks ago (Vol. 15:43 p16).

Reason: public economic uncertainty about outcome of steel dispute. In addition to effects of strike already felt, it may be end of Jan. before it's known whether steel workers will walk out again. The industry analyst explained revision of his forecast this way:

Excellent TV sales had been predicted for 1959 because of "deferred purchases" of TV sets during 1958's recession. This pent-up demand as result of postponed buying was estimated by our research source as totaling about a million sets. Some of it showed up in TV market this year, but most of it is now being "re-deferred" to next year because of the clouded economic picture in steel & dependent industries. Good times next year should see unusually heavy TV demand as a result of more than year's "dormant demand."

Not that 1959 will have been "bad" year (see financial roundup on p. 18). Official EIA figures show 684,773 TV sets sold at retail in Sept. (vs. 605,638 in Sept. 1958) and 9-month retail sales of 3,811,784, (3,486,090 in last year's period). Details are on page 20.

Inventories are in healthy shape for this time of year—2,331,000 in all levels of trade as of Oct. 1, nearly half of it at dealer level in anticipation of Yule season sales. Total inventory figure is about 20 weeks' supply at going rate of sales. This compares with 21-week inventory in Oct. 1958 and 22 1/2-week supply in 1957. Retail inventory totaled some 1.1 million as of Oct. 1 and was rising to a peak; distributor inventory totaled about 900,000 and was falling; factory supply 300,000 and going down.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 6 (44th week of 1959):

	Oct. 30-Nov. 6	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	140,966	158,503	111,554	5,335,609	4,177,250
Total radio	373,683	456,028	344,204	13,093,565	9,264,287
auto radio	91,362	125,056	117,585	4,774,630	2,798,862

Ampex Corp., its reorganization completed (Vol. 15:44 p14), now conducts its domestic business through 5 integrated companies: (1) Ampex Data Products Co. (instrumentation, computer products), John Jipp, mgr. (2) Ampex Professional Products Co. (equipment for TV-radio & recording industries), Neal K. McNaughten, mgr. (3) Ampex Military Products Co. (research & development), Robert L. Pappas, mgr. (4) Ampex Audio Inc. (stereo, hi fi, pre-recorded tape distribution), Herbert L. Brown, vp-mgr. (5) Orr Industries (magnetic tape), John M. Leslie, mgr. Foreign operations are conducted through Ampex International, Phillip L. Gundy, mgr. Jipp, McNaughten, Brown, Leslie & Gundy are vps of parent Ampex Corp.

Slow-speed tape cartridge quietly being developed by Minn. Mining & Mfg. (it plays at 1-7/8 ips, is about the size of a package of cigarets, and can be stacked like records to play in sequence) is the subject of an editorial warning in the Nov. 16 *Billboard*. The publication cautions record dealers to "sell tape now!" First reported in the Nov. 9 issue, the 3M cartridge—which will compete for the mass market with the RCA-developed system when launched next year—has aroused interest from Zenith, Columbia and Philips, and is reported to have accelerated RCA Victor's plans to introduce a low-price, plug-in tape player attachment.

Fraudulent TV-repair charges have resulted in a 15-day jail term and a one-year suspended sentence for a Fairfax County, Va. repairman. Thomas M. Lowery, owner of the Mobile TV Co., was charged with petty larceny for charging \$36.30 for repairs which weren't made. The set had been completely repaired & sealed by another repairman, who deliberately broke one tube before the owner called Lowery. Lowery presented his bill for "reworking a sound circuit, reworking the video circuit, restoring high voltage and cleaning & adjusting the channel selector." According to Fairfax detective W. J. Nelson, Lowery actually replaced 2 tubes costing less than \$5. Fairfax County Judge J. Nathan Groves gave the repairman a year's suspended sentence with 3 stipulations: Good behavior, return of all TV sets in his possession and no other "credible complaints" against him.

Vornado Inc. is the new name for the merged O.A. Sutton Corp. and 2 Guys from Harrison Inc. The latter group operates 14 appliance & general retail stores in N.Y., N.J., Md. & Pa.; the former used to produce Vornado fans & air conditioners, but recently liquidated all its assets due to heavy losses. The resulting firm, to be listed on the American Stock Exchange, is expected to produce a new line of Vornado products.

TV-RADIO SALES & OUTPUT: Both retail sales & factory production of TV & radio receivers stayed well ahead of 1958 in Sept., according to last week's EIA figures.

Sales of TV sets in Sept. 1959 totaled 684,773 units vs. 492,449 in Aug. and 605,638 in Sept. 1958. For the first 9 months of this year, sales totaled 3,811,784 vs. 3,468,090 last year. Factory output of TVs was 808,377 (51,555 with uhf tuners) in Sept. vs. 547,445 (32,847 uhf) in Aug. and 621,734 in Sept. 1958. TV production for the 9-month period totaled 4,488,857 vs. 3,572,189 in the year-ago period.

Here's the month-by-month comparison of TV set production & sales for first 9 months of 1959 & 1958:

	1959		1958	
	Production	Sales	Production	Sales
January	437,026	501,704	433,983	581,486
February	459,492	448,173	370,413	448,727
March	494,032	425,749	416,903	416,756
April	389,251	263,998	302,559	243,132
May	431,911	279,536	266,982	237,189
June	571,003	344,795	377,090	250,362
July	350,360	370,575	274,999	279,010
August	547,445	492,449	507,526	405,790
September	808,377	684,773	621,734	605,638
TOTAL	4,488,857	3,811,784	3,572,189	3,468,090

* * *

Radio retail sales totaled 928,457 in Sept. (excluding auto sets), up from 671,713 in Aug. and 750,026 in Sept. 1958. For the 9-month period, sales were 10,927,252 vs. 7,686,197 in the same 1958 period. Sept. radio production totaled 1,981,208 (717,501 auto & 76,942 FM) vs. 1,009,423 (279,424 auto & 42,866 FM) in Aug. and 1,492,668 (489,738 auto) in Sept. 1958. Cumulative 9-month output totaled 10,927,252 (4,151,846 auto & 367,804 FM) in 1959 vs. 7,686,197 in 1958.

* * *

Factory sales of picture tubes for Sept. totaled 913,697 units valued at \$18,066,647. For first 9 months, 6,857,682 picture tubes were sold at \$132,465,278. Sept. receiving tube sales totaled 41,989,000 units at \$34,594,000, and 9-month sales were 315,797,000 units at \$269,128,000.

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Record retail sales topping \$200 billion and bigger-than-ever Christmas business were forecast for 1959 by the *Wall St. Journal* last week. Other facts noted in the business study: Sept. output of TV-radio was 28% ahead of Sept. 1958 . . . "Industry statisticians calculate there were over a million TV sets in dealers' hands at the start of Oct.—compared with only 840,000 a year earlier." . . . Giants RCA, GE & Westinghouse foresee ample inventories at the dealer level to supply anticipated heavy Christmas demand for TV-radio-phonos and appliances.

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Stepped-up enforcement of Robinson-Patman Act prohibitions against price discrimination by sellers in favor of preferred customers was announced last week by FTC Chmn. Earl W. Kintner. He told a N.Y. meeting of the Grocery Manufacturers of America that 10 of FTC's "younger, most able executives" have been assigned to a special task force headed by secy. Robert M. Parrish to make sure that the law is "more plainly & forcefully interpreted" to businessmen. Kintner's move in the fair-pricing field followed his order last month doubling the FTC's TV-radio monitoring unit for a bigger campaign against fraudulent broadcast commercials (Vol. 15:43 p44).

Emphasis is on sound in Packard Bell's new model 17T-4 Astronaut 88 portable. It contains a front-mounted 6-in. speaker with hardwood sound chamber. In saddle-stitched alligator cabinet it lists at \$230, in black at \$220.

COMPONENT SALES SOAR: Confirming the results of our component survey last week (Vol. 14:45 p17) and the analysis of component makers' financial reports on page 18 of this issue, a new govt. study shows the electronic part & tube industry is now on the crest of its biggest rise since the Korean war period.

First-half 1959 shipments of tubes, semiconductors and other major components were 30% higher than during the comparable 1958 period and 15% above last-half 1958, according to the electronics div. of the Commerce Dept.'s Business & Defense Services Administration.

Director Donald S. Parris of the electronics div. said the data were developed from an analysis of returns from 450 firms "whose output represents a very large sample of the total production of these products in the U.S."

Principal categories of components shipped during the first half of this year are presented in the abbreviated table below. The complete table, including subdivisions of the categories below, is available from the electronics div., Business & Defense Services Administration, Commerce Dept., Washington 25, D.C.

TUBE & SEMICONDUCTOR SHIPMENTS

First-Half 1959

Category	Units (add 000)			Value (add 000,000)		
	Total	Mili-tary	Non-military	Total	Mili-tary	Non-military
Receiving Tubes	214,903	17,036	197,867	\$188.1	\$35.4	\$152.7
TV Picture Tubes.....	4,500	—	4,500	87.9	—	87.9
Power & Special-Purpose Tubes	5,751	1,702	4,049	124.7	87.5	37.2
Semiconductors	93,880	22,723	71,157	177.2	74.4	102.8

ELECTRONIC COMPONENT SHIPMENTS

First-Half 1959

Category	Units (add 000,000)			Value (add 000,000)		
	Total	Mili-tary	Non-military	Total	Mili-tary	Non-military
Capacitors	587.8	67.6	520.2	\$111.1	\$33.8	\$ 77.3
Connectors	41.4	26.6	14.8	69.8	49.1	20.7
Quartz Crystals	1.8	.7	1.1	5.1	2.0	3.1
Relays	11.7	4.5	7.2	85.2	45.1	40.1
Resistors	972.9	151.8	821.1	112.0	53.9	58.1
Transformers & Reactors	11.2	3.2	8.0	68.0	38.2	29.8

Good business in 1960 for the appliance industry was predicted last week by GE pres. Robert Paxton, currently on a tour to ascertain consumer buying attitudes. Looking ahead to what he termed a strong business year, Paxton foresees an expansion of consumer credit purchases—also a rise in appliance prices if the cost of steel should increase. "We have no magic wand to halt inflation," he said. Paxton pointed out that the steel strike had not curtailed GE production to any extent until recently, that GE consumer products have been produced in ample quantities to supply retailers through Christmas, and that "any production we carry on now will be for 1960."

Hoffman Electronics last week unveiled "the world's largest solar energy converter," Big Bertha, to demonstrate the growing use of sunlight as a source of power. The company's giant generator, whose silicon solar cells convert light into electricity, powered a door-opening device which dedicated the firm's new \$2-million semiconductor center in the El Monte suburb of Los Angeles. Hoffman Pres. H. Leslie Hoffman said at the ceremony that the center was designed to meet the growing requirements for electrical power generators in space vehicles, including manned "platforms." Completion of the new center more than doubles the semiconductor div.'s production capacity and increases its annual sales potential to about \$35 million.

Sylvania adds 12 stereo consoles to its hi-fi line, at suggested list prices from \$200 to \$595.

Japan's 'Dangerous Game': A top U.S. foreign trade official last week delivered to Japan a stern warning which may give some hope to American manufacturers of transistors & radios. In Tokyo, Harry Kearns, U.S. asst. commerce secy. for international affairs, criticized the Japanese tendency to flood U.S. markets with items in a narrow field while retaining barriers against imports of American goods.

If Japan continues to play the "very dangerous game" of discrimination against U.S. products, it is likely to provoke damaging restrictions on sales of Japanese goods in the U.S., he said. Kearns also disclosed that he had warned Japan against a continuance of the narrow-field trend in exports, causing distress to domestic competitors. It is "absolutely essential," he said, that "all discriminatory restrictions [against U.S. goods] be removed immediately."

Among items whose import to Japan from the U.S. are severely restricted are TV sets, air conditioners, refrigerators, sewing machines, musical instruments, office equipment, automobiles and certain raw materials and foods.

Meanwhile, in Washington, the Office of Civil & Defense Mobilization indicated that it will extend the Nov. 17 deadline for comments in its investigation of EIA complaints that importation of transistorized Japanese products are cutting into the U.S. electronics industry's defense capacity (Vol. 15:45 p19). The length of the extension won't be known until later this week when OCDM dir. Leo A. Hoegh returns to Washington.

The extension was requested by the Japanese Mfrs. Assn., the British Chamber of Commerce and the International Union of Electrical Workers.

A letter from Admiral Pres. Ross D. Siragusa to OCDM Dir. Hoegh last week urged an immediate study of "the effect of these growing Japanese electronics imports on the American electronics industry." Concluded Siragusa: "We feel that the situation should be carefully reviewed when the jobs of Americans are threatened and our domestic electronics defense production potential may be affected."

* * *

Japanese radio manufacturer Sony Corp. was reminded by FCC last week that Commission regulations require that radios tuning the 30-890 mc band be certified as complying with radiation limits specified in Part 15 of the rules before they may be operated legally. The FCC noted that U.S. manufacturers certify that their sets comply with the rules and it "feels that you as a manufacturer may wish to assume this obligation to your customers and supply them with receivers that can be operated legally." FCC also said it is preparing a public notice on Part 15.

* * *

New transistor portables, Japanese & American-made: Magnavox is introducing two 6-transistor radios, to list at \$29.95 & \$34.95, both made in Japan, and 2 portable battery-operated stereo phonos at \$119.90 & \$129.90. It was not disclosed whether the phonos are Japanese-made. RCA, meanwhile, will enter pocket-size radio field with two 6-transistor sets named, pointedly, "All-American Pockette Personals," at \$34.95 & \$39.95. Deliveries are due by Dec.

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Two-band transistor portable standard broadcast & long-wave radio, designed to list at \$99.95, is termed by Zenith "the most sensitive radio of its kind in the world." The new Royal 780 Navigator is designed to provide distant reception of standard AM broadcasts and long-wave govt. weather-navigation stations and to serve as a self-powered standby navigational instrument in air or sea craft.

Competition from Japanese transistors or any other imports was welcomed by Motorola pres. Robert W. Galvin, as he spoke in Washington last week at a dinner honoring 18 prize-winning Motorola distributor salesmen leaving for Europe with their wives as part of the State Dept.'s "People to People" program. Motorola is the first industrial firm to participate in the program. Said Galvin: "We believe in unrestricted trade throughout the world. A few people are retreating from our country's reciprocal trade policies. We're not. If the Japanese, French or English can make transistors cheaper than we can, more power to them. Motorola continues to win an increasing share in the electronics business through the American tradition of invention, innovation, performance and service. I think this is also the only economical sound way to compete with the long hoped for rise in the fortunes of our friends in foreign lands." Conger Reynolds, chief of U.S. Information Agency's "People to People" program, urged the salesmen to restrain their impulses to sell, to become "simpatico" with their foreign counterparts instead. Guests at the dinner included officials of embassies of France, Italy & Germany, Sens. Capehart (R-Ind.) & Randolph (D-W.Va.).

U.S. is Britain's biggest customer for hi-fi & other audio equipment, reports British Radio Equipment Mfrs. Assn., which also gives these facts about British exports of hi-fi gear: In 1958, Britain exported \$30.8 million worth of hi-fi equipment, about \$11.2 million of it to the U.S., a total of \$14 million to all of North America. For the first 6 months of 1959, audio equipment exports totaled about \$14 million, of which \$5.6 million went to the U.S. Record-playing devices comprise the leading category of British audio exports—responsible for more than \$14 million of last year's total, \$8.4 million of which went to the U.S. The British audio industry will have its own display at the British Exhibition, N.Y., next June.

Closed-circuit-TV translating device was patented by the late Washington patent-attorney & engineer John B. Brady. Designed to replace earphone translation systems like the one used at the UN, Brady's apparatus uses a teletype operator to transcribe texts of speeches as they are translated by an interpreter in a soundproof booth. The teletype tape is scanned by a TV camera and the audience reads the translation on closed-circuit receivers. Brady, 62, died last week in Washington as a result of an automobile injury—just one week after the patent was issued.

Electronic substitutes for heart, lungs and other vital organs were envisioned by RCA's Gen. David Sarnoff in an address last week to the B'nai B'rith Board of Governors. He was awarded the organization's President's Medal, for "creative genius in higher communications—advancing knowledge & understanding between men & nations." Looking into electronics' future, Gen. Sarnoff declared: "It is conceivable that eventually miniaturized electronic substitutes will be developed to serve as long-time replacements for organs that become defective through injury or age." He also envisioned an electronic "dashboard" for the human body—"a home device, like scales, that will register not only weight but heart beats, blood pressure, pulse data. Moreover, it will carry an alarm system advising the user when to consult a physician."

Unique TV-radio stereo simulcast—the first to be sponsored by manufacturers of hi-fi components—was presented Nov. 15 on NBC's WRCA-TV & WRCA N.Y. *Project Stereo: '60* traced the development of sound reproduction from Edison's phonograph to today's component stereo systems. Sponsors were Bogen, Garrard, Electro-Voice.

RCA Files AM Stereo Plea: Going it alone after withdrawing from the industry-wide National Stereophonic Radio Committee because of anti-trust fears, RCA Nov. 13 petitioned FCC to adopt its AM stereo broadcast standards. The NSRC is expected eventually to file its own findings on the various AM stereo systems, but it is giving top priority now to FM systems, since the FCC has asked for FM—but not AM—proposals (Vol. 15:42 p18).

RCA asked the Commission to approve the system it demonstrated to some FCC members & staffers last March on WRCA N.Y. (Vol. 15:9 p3, 10 p4). The compatible system transmits a full monaural signal to standard radios, stereo signal to special stereo sets on the regular AM broadcast band. Two AM signals are transmitted by the station, together with a frequency-modulated difference signal. The latter signal is ignored by standard radios, but used by stereo receivers to separate the 2 sound channels.

"For the broadcaster, the system requires only simple additions to a standard broadcast transmitter," RCA said in its petition. "For the public, [it] involves the addition of only a small amount of circuitry [to produce] a stereo radio tuner, with the result that its cost would be slightly greater than that of a conventional monophonic tuner."

RCA indicated that it may also file an FM stereo standards proposal. In its comments it stated that it has been conducting research into the best methods of compatible FM broadcasting.

Trade Personals: New organizational structure of RCA semiconductor & materials div. to give "greater emphasis to major product programs" has resulted in appointment of managers for 4 new depts.: Thomas R. Hays transferred from sales dept. mgr. to mktg. dept. mgr.; Norval H. Green from gen. quality control mgr. to entertainment semiconductor products mgr.; Kenneth M. McLaughlin from plant mgr. of Lancaster (Pa.) color kinescope plant to computer products & materials mgr.; Barnes V. Dales from modules engineering mgr. to micromodule dept. mgr.; industrial semiconductor dept. mgr. will be named later . . . Allan B. Dickenson, former color kinescope mfg. mgr., succeeds McLaughlin as Lancaster color kinescope plant mgr.

Robert F. Halligan named Hallicrafters exec. vp & gen. mgr. . . . Sydney W. Natkin, ex-RCA Service Co., named National Radio Co. asst. gen. mgr. . . . Raymond T. Leary promoted from vp-sales mgr., distributor div., to Cornell-Dubilier gen. sales mgr. . . . James E. Dingham elected AT&T vp & chief engineer, succeeding Harold R. Huntley . . . Thomas Garvin named Magnavox acting West Coast sales mgr. . . . Edward Lisovicz named to new post of industrial & military cathode-ray tubes div. mgr., Thomas Electronics.

Dr. Frank A. McMahan named mgr., General Precision Labs service & support dept., with responsibility for ground support equipment, repair, spare parts, publications, field service & training . . . Edward J. Danneberg promoted from industrial relations dir. to new post of personnel vp, Tung-Sol; E. Leslie Peter named sales mgr. of Tung-Sol's new Canadian div., Tung-Sol Sales Corp., Montreal.

Warren B. Lincoln, ex-Chrysler Corp., named Stromberg-Carlson budget dir. . . . David L. Simonds, A. C. Simonds & Sons, elected pres., Dominion High Fidelity Assn. (Canada), succeeding H. Roy Gray, Astral Electrical Co. . . . Walter T. Davis appointed Western sales mgr., Arvin electronics & appliances div., succeeding Weldon Payne, named Eastern sales mgr.

Finance

New Highs for CBS: Sales & net earnings for the first 3 quarters of this year set new 9-month records for CBS Inc. The previous records were set last year. The company's directors raised the quarterly dividend to 35¢ a common share from 30¢ and declared a 3% stock dividend payable Dec. 24 to holders Nov. 27 (see dividend table).

In their report to stockholders, Chmn. William S. Paley and Pres. Frank Stanton said that 2 non-recurring adjustments & transactions in the first 9 months would have the combined effect of a charge to the 4th-quarter net income of 10¢ a share. Income taxes of about \$700,000 on inventory profits, included in last year's tax provisions, were deferred in prepaid expense. CBS Inc. also disposed of its 50% ownership in Pacific Ocean Park, Santa Monica, Cal. (Vol. 15:44 p11), with a resulting charge to net income of \$2.4 million. Included in the 9-month net income is \$900,000 profit on the sale of the Alvin Theater, N.Y. Report for 9 months ended Sept. 30:

	1959	1958
Sales	\$318,291,438	\$300,738,926
Net income	17,496,934	16,522,462
Earned per share	2.15	2.10
Average shares	8,129,481	7,881,400

Meredith Publishing Co. derived 18.5% of its total revenues from its broadcasting interests (WHEN-TV & WHEN Syracuse, WOW-TV & WOW Omaha, WBRC-TV & WBRC Birmingham, WKYT Lexington, Ky., and 30% of WBIR-TV & WBIR Knoxville) during the 3 months ended Sept. 30. The income statement for the period:

	1959	1958
Total revenues	\$14,167,884	\$11,716,354
From publishing	10,215,644	9,283,508
From broadcasting	2,599,576	2,305,710
Other	1,352,664	127,136
Net profit	1,264,106	786,899
Earned per share	97¢	61¢
Shares outstanding	1,299,421	1,298,065

Metropolitan Bcstg. Corp. gross revenues for 39 weeks ended Oct. 4 totaled \$11,765,168. Combining the newly released revenue figures with the net income figures already reported (Vol. 15:44 p22) gives this picture for 39 weeks to Oct. 4:

	1959	1958
Gross revenues	\$11,765,168	\$9,762,415
Net income	1,197,097	219,394
Earned per share	77¢	14¢
Shares outstanding	1,549,012	1,541,137

Gross Telecasting Inc. (WJIM-TV & WJIM Lansing, Mich.) reports, for first 9 months of 1959, a decrease in operating revenues to \$1,916,784 from \$1,994,496 and in net income to \$460,207 from \$529,246 for the same 1958 period. For 3 months ended Sept. 30, revenues were up to \$655,183 from \$622,094, net income down to \$155,776 from \$171,826 in 3rd-quarter 1958.

Loew's Theatres Inc., the theater-operating company which was spun off Loew's Inc. (MGM), reports net income of \$2,007,251 (75¢ a share) for the year ended Aug. 31. No comparison with the preceding year is possible because the theater firm was not in existence for the fiscal year 1958. The company owns radio WMGM N.Y.

Decca Records' net income more than doubled in the 9 months ended Sept. 30:

	1959	1958
Net income	\$911,260	\$394,353
Earned per share	60¢	26¢
Shares outstanding	1,527,401	1,527,401

Sonotone Corp. sales & profits rose sharply in the 3rd quarter ended Sept. 30, and pres. Irving I. Schachtel predicted that 1959 earnings would "approach \$1 a share" and establish a new high. July-Sept. sales increased to \$6,597,000 from \$4,719,000 in the year-ago quarter and profit more than doubled to \$348,951 from \$158,611. Schachtel also reported that Oct. sales were the highest of any month in Sonotone history. For 9 months ended Sept. 30:

	1959	1958
Sales	\$18,271,000	\$15,980,000
Net income	829,201	539,424
Earned per share	70¢	45¢
Shares outstanding (1959)	1,147,025	1,147,025

Motorola's recent record market performances probably stem from the increasing interest of large funds, including investments trusts, finance vp Edwin P. Vanderwicken said last week. Noting Motorola's current bright financial picture (Vol. 15:44 p21) and Pres. Robert W. Galvin's forecast that 1959 should "comfortably" set new highs, Vanderwicken said: "That prediction looks more comfortable than ever."

American Television & Radio Co. reported a 15-fold profit increase on a 23% jump in sales for the fiscal year ended June 30. Net income rose to \$13,532 compared with \$859 in fiscal 1958. Sales increased to \$1,109,493 from \$909,415. Pres. Albert A. Goffstein said that sales in the first fiscal quarter ended Sept. 30 were 45% ahead of those in the year-ago quarter.

Compensation of top Sylvania executives last year, as disclosed in its prospectus issued in connection with the sale of \$25 million in 5½% debentures: Chmn.-Pres. Don G. Mitchell, \$150,000 plus \$1,623 paid to retirement & savings accounts; senior vps W. Benton Harrison, Frank J. Healy, Robert E. Lewis & Barton K. Wickstrum, each \$59,999 plus \$709 paid to retirement & savings accounts.

Hallicrafters Co. net income more than doubled to \$480,602 in the 8 months to Aug. 31, compared with \$225,152 in the same 1958 period. The profit increase mirrored a sales gain to \$15,904,952 from \$13,093,550.

Page Communications Engineers Inc. anticipates that sales in the fiscal year ending July 31, 1960 will rise to \$16 million from fiscal 1959's \$12.1 million, pres. Thomas V. Jones of parent Northrup Corp. said last week. He foresees Page sales reaching \$21 million in fiscal 1961.

Reports & comments available: Jerrold Electronics, analysis, Carroll & Co., 24 Commerce St., Newark, N.J. . . . Electronics Capital Corp., analysis, W. H. Tegtmeyer & Co., 39 S. LaSalle St., Chicago 3 . . . National Company, Inc., prospectus, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . RCA, study, Eastman, Dillon, Union Securities & Co., 15 Broad St., N.Y. 5 . . . General Precision Equipment, analysis, W. E. Hutton & Co., 14 Wall St., N.Y. 5 . . . Siegler, comments in *Investor's Reader*, Merrill Lynch, Pierce, Fenner & Smith, 70 Pine St., N.Y. 5 . . . Eitel-McCullough, Inc., prospectus, Schwabacher & Co., 14 Wall St., N.Y. 5.

Wells-Gardner's earnings for the first 9 months of 1959 were double those of 1958 on increased sales, but Pres. Robert S. Alexander told stockholders that 4th-quarter sales & profits will be "somewhat lower" than the 3rd-quarter figures. The company's backlog of unfilled orders Sept. 30 was \$6,936,275 vs. \$6,249,202 a year earlier. For 9 months ended Sept. 30:

	1959	1958
Sales	\$17,986,967	\$12,901,420
Net earnings	525,485	262,463
Earned per share	1.25	62¢
Shares outstanding (1959)	421,800	421,800
For 3 mos. ended Sept. 30:		
Sales	\$8,927,138	\$6,026,450
Net earnings	371,462	278,470
Earned per share	89¢	66¢

Standard Coil Products net income soared nearly 500% on a 20% jump in sales in the 9 months ended Sept. 30, pres. James D. Burke reported last week. Increasing demand for Standard's new miniaturized TV tuner, plus higher production efficiency in the firm's tuner div., "contributed materially to the fine profit showing," he said. Standard's tuner sales are running 50% ahead of last year, Burke told us recently (Vol. 15:45 p18). For 9 months ended Sept. 30:

	1959	1958
Net sales	\$54,227,527	\$45,241,321
Net income	1,039,497	212,768
Earned per share	54¢	11¢
Shares outstanding (1959)	1,925,779	1,925,779
For 3 months ended Sept. 30:		
Net sales	\$19,005,960	\$16,191,801
Net income	399,794	187,924
Earned per share	21¢	10¢

General Precision Equipment Corp. reports a sharp increase in 3rd-quarter and 9-month sales & profits in 1959 compared with the corresponding periods of last year. Chairman J. W. Murray predicted 1959 sales would top \$200 million for the first time and that full-year earnings would total \$2.50 a share. He said the company is planning to increase its non-military business through "further diversification & expansion in consumer products & industrial controls." For 9 months ended Sept. 30:

	1959	1958
Sales	\$156,420,305	\$122,772,431
Net income	3,043,628	915,612
Earned per share	1.91	5¢
Shares outstanding	1,125,810	1,125,810
For 3 months ended Sept. 30:		
Sales	\$54,118,866	\$37,331,503
Net income	980,507	160,678
Earned per share	57¢	—

Litton Industries reports sharp gains in sales & net income for the fiscal year ended July 31. The Cal.-based firm also announced it has acquired a majority interest in Svenska Dataregister AB, Swedish maker of Sweda-brand cash registers & point-of-sale recording equipment (Vol. 15:35 p18), and has purchased full ownership of 2 companies which distribute Svenska's products in the U.S., Mexico, Switzerland. For the fiscal year ended July 31:

	1959	1958
Sales etc.	\$125,525,561	\$83,155,473
Net income	5,975,031	3,702,203
Earned per share	3.24	2.07
Shares outstanding	1,796,204	1,691,389

American Bosch Arma common stock trading privileges on an unlisted basis are sought by the Philadelphia-Baltimore Stock Exchange in an SEC application. The stock now is listed on the N.Y. Stock Exchange.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
AB-PT	Q	\$0.25	Dec. 15	Nov. 20
Collins Radio	Q	.50	Jan. 2	Dec. 18
CBS	Q	.35	Dec. 11	Nov. 27
CBS	Stk.	3%	Dec. 24	Nov. 27
General Instrument ..	—	.15	Dec. 15	Nov. 17
Storer Bcstg. Co.	Q	.45	Dec. 15	Nov. 27
Storer Bcstg. Co. "B" .	Q	.06	Dec. 15	Nov. 27

Texas Instruments racked up record sales & earnings during the 3rd quarter and passed 1959's three-quarter mark with sales & earnings running more than double those of the year-ago period, pres. P. E. Haggerty reported last week. For 9 months ended Sept. 30:

	1959	1958
Sales billed	\$140,899,000	\$64,056,000
Net profit	9,877,000	3,591,000
Earned per share	2.50	1.10
Shares outstanding	3,914,630	3,256,988
For 3 months ended Sept. 30:		
Sales billed	\$46,700,000	\$21,867,000
Net profit	3,572,000	1,448,000
Earned per share	89¢	44¢

International Resistance Co. sales soared 47% and net income more than quadrupled to set new levels during 1959's first 42 weeks, chmn. Charles Weyl reported last week. He noted that sales for the 17 weeks ended Oct. 18 were up 31% to \$6,267,440 and that net income had gained to \$565,769 from \$381,073 for the same 1958 period. "It appears that net earnings for 1959 will be substantially above the best previous year in the company's history," he said. For 1959's first 42 weeks:

	1959	1958
Sales	\$15,676,568	\$10,642,998
Net income	1,493,370	309,825
Earned per share	1.08	23¢

General Dynamics Corp. profits skidded some \$12 million despite a sales gain of more than \$32 million during Jan.-Sept., Chmn. Frank Pace Jr. reported last week. He also announced that the firm's backlog had reached a record \$2.502 billion, compared with \$2.095 billion last year. For 9 months ended Sept. 30:

	1959	1958
Net sales	\$1,186,045,943	\$1,153,498,834
Net income	16,844,682	28,740,152
Earned per share	1.70	2.92
Shares outstanding	9,936,442	9,842,191

American Electronics reports a profit on increased sales for 1959's first 3 quarters, compared with a loss suffered during the year-ago period. For 9 months ended Sept. 30:

	1959	1958
Net sales	\$15,360,403	\$12,630,479
Net income (loss in '58) ..	353,084	(886,549)
Earned per share	40¢	—
Shares outstanding	874,272	869,994

Amphenol-Borg Electronics reports a moderate increase in net income on sales that jumped 24% during 1959's first 3 quarters. Orders increased 37% during the period. For 9 months to Sept. 30:

	1959	1958
Net sales	\$41,542,630	\$33,395,167
Net income	1,975,368	1,649,930
Earned per share	1.69	1.42

Transitron Electronic Corp., Wakefield, Mass. manufacturer of semiconductor products, has filed a SEC registration statement (File 2-15809) for public sale of 1,000,000 outstanding common-stock shares through an underwriting group headed by Merrill Lynch, Pierce, Fenner & Smith. Sellers of 500,000 shares each are Transitron Pres. David Bakalar & Chmn.-Treas. Leo Bakalar, who together own 98.6% of the outstanding stock.

Varian Associates will form a marketing & research subsidiary in Switzerland, Varian A. G., to "facilitate participation in expanding markets for its products abroad." The Palo Alto electronics firm anticipates that its 1959 overseas sales will increase 40% over the 1958 level to \$2.5 million, representing 6.5% of total sales.

Ampex has submitted an SEC registration (File 2-15816) for 137,500 common-stock shares, \$1 par value, to be offered to officers & employes under the company's restricted stock-option plan.

Allied Artists, for the quarter ended Sept. 26, reports net income of \$652,600 (72¢ a share) vs. \$120,200 (12¢) in the same 1958 period.

Auxiliary Services

SAG's View of Pay TV: Screen Actors Guild, long an ardent proponent of pay TV in the belief it would provide jobs for its members, doubts that "we will for some time see pictures made exclusively for pay TV," SAG national exec. secy. John L. Dales told members last week. He added that while SAG intends to maintain the bargaining right to open its contracts for negotiation of new formulas & conditions, it has no plans to make pay-TV demands in the near future. "Too precipitate action can delay the medium," said Dales. "The cart would be before the horse if we attempted to lay down new rules, regulations and wage payment formulas in advance of the industry, just because we have an open contract negotiation date . . . None of us knows exactly where pay TV is going. But it is casting a very pretty shadow."

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SUMMARY-INDEX OF WEEK'S NEWS

Canada

CANADIAN TV—WHAT IT IS, and why—evolved from our discussions with top govt. & industry officials, as era of competition is about to begin (pp. 1, 4, 11).

FCC

FCC'S DEEP PROBE OF PROGRAMS & powers starts with Dec. 7 hearing. Parties asked for ideas about "inimical" practices and Commission's "guidance" role (p. 2).

SECRET ALLOCATION UPHELD by Court of Appeals, which rejects aviation industry protests against FCC assignments of non-broadcast bands to military (p. 14).

FCC STUDIES CATV "AD HOC" committee suggestion. Cowgill meets with small-town TV disputants in Denver Nov. 23. NCTA group meets with Doerfer (p. 15).

Stations

McGANNON URGES SELF-REGULATION to forestall govt. legislation (pp. 3 & 8).

TV MEN BITE PRESS DOG with a round of counterblasts at amateur criticism of the medium & hysterical treatment in print of quiz scandals (p. 7).

TVB FIFTH ANNIVERSARY meeting hears warnings from Doerfer, Clipp and Cash (p. 8).

Networks

NETWORK EDITORIAL CONTROL tightened as CBS-TV exec. vp James T. Aubrey Jr. announces a new set of ground rules for programming and a new office at CBS to carry them out (p. 3 & 9).

Manufacturing & Distribution

FM BOOMLET BECOMING BOOM: Estimated 1959 retail sales of FM sets, combinations & tuners total close to 1.5 million units. Good sales in all price ranges (p. 18).

"SOCKET ANTENNA" CLAIMS rapped by National Better Business Bureau in bulletin reporting experts' findings that "house wiring is not an effective TV antenna" (p. 20).

Congress

ULTIMATUMS FROM MAGNUSON warn TV & radio, FCC, FTC to cure quiz & other industry ills by Jan.—or he'll "move immediately" with legislation (p. 5).

Film & Tape

CANADIAN TELEFILM UPSURGE is seen in the wake of "55% Canadian" quota on new Canadian TV outlets. American producers are mapping a new round of co-production deals north of the border (p. 11).

NEW LOOK AT 20TH CENTURY-FOX as Levathes readies sweeping reorganization and decentralization of production chief's authority (p. 11).

Advertising

TOOTHPASTE COMMERCIALS HIT BY FTC for first time in complaint that TV ads for Colgate Dental Cream's "protective shield" are "deceptive" (p. 16).

Other Departments

AUXILIARY SERVICES (p. 15). **PERSONALS** (p. 17). **FINANCE** (p. 22). **FOREIGN** (p. 23). **ETV** (p. 24).

CANADIAN TV—WHAT IT IS, AND WHY: New TV regulations issued by Canada's FCC-like Board of Broadcast Governors last week reflect the country's continuing compromise in the dilemma of balancing its determination to retain national identity with need of foreign capital & know-how. In Ottawa last week, we discussed policies & projects with top govt. & industry officials, and both groups believe their solutions are realistic.

Beacon of Canadian TV-radio system is Sec. 10 of its year-old Broadcasting Act, which says that BBG's job is to provide regulations encouraging "a varied & comprehensive broadcasting service of a high standard that is basically Canadian in content & character."

Even private broadcasters endorse that concept despite fact it means cost of their programs will be much higher than they would be if they could buy them from U.S. without restriction. Next year, BBG will authorize a station to private entrepreneurs in each of 8 major markets now monopolized by a govt.-owned Canadian Bcstg. Corp. outlet or one of CBC's privately-owned affiliates. However, the new stations will be denied the lifeline of full, live network service from either govt.-owned Canadian Bcstg. Corp. or U.S. networks.

"Private broadcasters aren't cowed by the govt." BBG Chmm. Dr. Andrew Stewart told us. "Canadian broadcasters are Canadians. They have the same objectives which are implicit in the Broadcasting Act."

Private operators' spokesman T. J. (Jim) Allard, exec. vp of Canadian Assn. of Bcstrs., put it this way: "There's a growing wave of nationalism in Canada today. It's the key factor in Canadian affairs." He then gave a timely example of it in action among Canadian broadcasters. U.S.'s Radio Advertising Bureau, seeking to promote radio business and solicit members north of the border, last week announced plans to hold sales clinics in Canada.

Hackles of CAB members rose immediately. Said Allard: "It's just as if I called you up and announced that I'd be over for dinner tonight—and told you to serve roast beef." NAB & U.S. networks on other hand, Allard said, have been circumspect, "very effective ambassadors," always waiting to be invited before offering anything. "Canadians want to continue watching & listening to U.S. TV & radio," he said, "but undoubtedly in decreasing amounts in the next 20 years."

Although Americans & other non-Canadians are permitted to own up to 25% in each of the 8 new stations, Allard doubts that many are stockholders in the still-secret applications. Though BBG members assured us they'll have open minds as they weigh non-Canadian ownership among competing applications, Allard said flatly that he believes "U.S. ownership would be a liability." He doubts that there's any U.S. money in Winnipeg, Vancouver or Montreal applications so far, says there may be some in one Toronto bid. He believes there's British capital in 2 Toronto applications, one Vancouver, one Montreal.

Recognizing programming problems of forthcoming stations, BBG has eased up on the severe "buy Canadian" concept it had proposed. Its final regulations aim to let stations use fair amount of non-Canadian material while promoting growth of domestic film-tape industry (see story, p 11). Aside from sprawling CBC's output, Canadian TV program production is mighty slim. According to CAB, only 8 half-hour series have been produced since 1953. Sales record is even worse, CAB says, reporting that the 6 largest syndicators sold 465 films in 1959—and only 2 were Canadian-produced.

BBG uses a "Canadian content" formula to insure that telecasting reflects the "Canadian way of life" concept. In its original proposals in July, BBG said "Canadian content" must be 55% of a station's schedule. It has cut that to 45%, starting April 1961, increasing to 55% April 1962. Also, "Canadian content" is defined more liberally than proposed. For example, films & tapes couldn't be so classified unless their producing companies were 75% owned by Canadians. Now, only requirement is that a company is incorporated in Canada and have Canadian citizens as majority of its board. In addition, "Canadian content" classification is given to all programs, regardless of subject matter, created by each station for transmission over its own facilities, and to all news programs.

BBG threw in a fuzzy one, though deliberately, saying that all programs "of general interest to Canadians" would pass muster. It gave as examples World Series, U.S. Presidential addresses, UN meetings. At press conference in Ottawa Nov. 18, BBG members were deluged, naturally, with questions about other possibilities—Hollywood Academy Awards, American beauty contests with Canadian entrants, speeches by U.S. citizens below Presidential rank, etc. Basically, said BBG member Carlyle Allison, experience will produce a "book of common law" on the subject. Dr. Stewart told us later with a smile: "We can't try to anticipate the operators' ingenuity on that one."

No quiz-rigging has been discovered in Canada, but BBG's reaction to U.S. problems is dramatic evidence of the difference between philosophies of the 2 countries. BBG simply announced: "No station or network shall broadcast any contest or program purporting to be a contest, the results of which are known in advance of, or are known to have been determined in advance of such contest or program." And that's it.

You may want to study their regulations—they run all of 9 pages—which are accompanied by an explanatory document. Copies are available from BBG, Transportation Bldg., Ottawa, Ont. BBG also plans to re-examine radio regulations. (For more detail on Canadian TV plans & operations, see p. 4.)

FCC's DEEP PROBE OF PROGRAMS & POWERS: FCC intends to reach bedrock as it explores TV-radio programming and its own powers in field of programming (Vol. 15:46 p1). Last week, it set Dec. 7 for its first hearing, threw area wide open for any-&-all to speak up on 5 broad subjects. Parties planning to appear were asked to submit by Nov. 25 documents giving "in general, the nature & extent of the comments, suggestions, information and data they wish to present."

FCC has no intention of "re-trying" quiz-rigging case or going into an evidentiary hearing on payola in this proceeding. However, it plans to become specific on payola sooner or later because it seems to have little doubt that the practice is direct violation of Communications Act provision re sponsor identification.

Though it hasn't been announced, it's understood that Broadcast Bureau chief Harold Cowgill is taking charge of staff work, has selected committee of 4 top men to advise him: Attorneys Ashbrook Bryant, Joseph Nelson & Louis Stephens, economist Hyman Goldin. If other FCC business is delayed as result of concentration on inquiry, Commission won't be disturbed because the study is "Project No. 1."

If enough witnesses appear, Commission stands ready to devote almost all its time listening to them between Dec. 7 & Christmas. In addition to its public notice of the hearing, it's expected that Commission will call attention of specific organizations to the proceedings, inviting written or oral comments, or both. It's assumed these would include prominent individuals and group spokesmen who have made public statements on quizzes and the state of TV—religious, educational & civic leaders, members of Congress, PTA's, columnists, et al. Here's what Commission wants to learn during the hearing:

"(1) Whether & the extent to which policies & practices being pursued by some broadcast licensees in the field of programming & advertising are inimical to the public interest.

"(2) Whether & the extent to which the general standards heretofore laid down by the Commission for the guidance of broadcast licensees in the selection & broadcast of programs & other material to the public are adequate in view of the changed & changing conditions in the broadcast industry.

"(3) Whether & the extent to which FCC should, by the exercise of its rule-making power, set out more detailed & precise standards for the guidance of broadcasters in the exercise of their responsibility.

"(4) Whether & the extent to which the Commission's present policies & procedures in the review & consideration of the performance of its broadcast licenses in the field of programming & advertising is adequate, in view of the greatly increased number of such licensees; and

"(5) Whether the Commission's authority under the Communications Act of 1934, as amended, is adequate for these purposes or whether legislation should be recommended to the Congress."

"If legislation is needed & Constitutionally permissible you may rest assured the FCC will recommend it to the Congress," Chmn. Doerfer later told TvB's annual meeting in Chicago (see p. 8). He said that when FCC's investigation is over—"and we will hurry it along as quickly as possible"—it probably won't be enough for FCC just to come up with "pious affirmations of responsibility by a licensee."

SELF-REGULATION OR GOVT. REGULATION: That's the choice TV faces amidst continuing crises & Congressional attacks, NAB TV Code Review Board Chmn. Donald McGannon told 271 subscriber stations last week via closed circuit on the 3 networks. "Either we do or it's going to be done for us," said McGannon forcefully. The Code Board, meeting in Los Angeles, wouldn't talk about amendments it proposed behind closed doors until member stations received those proposals, but it's understood they would (1) ban rigged quiz shows; (2) crack down on deceitful or offensive commercials; and (3) deal with aspects of interview shows. The Board moved into the last-mentioned area out of regard to Frank Stanton and his stature in the industry. There was sentiment against "pushing the panic button," but the majority prevailed.

Only hours before McGannon's talk, he had received a letter from Sen. Magnuson (D. Wash.), chmn. of the Senate Interstate & Foreign Commerce Committee, sharply questioning whether the code was adequate to meet the problem of rigged quiz shows. Magnuson wanted to know how the industry could regulate those stations which aren't code members. Essence of McGannon's reply to Magnuson: "The code will work." The industry was on the spot, yet a large segment of it wasn't even paying lip service to the code (see p. 8).

NETWORK EDITORIAL CONTROL: Last week CBS-TV entered a delicate area—more control by the network over program content of packaged shows as well as house-produced attractions. Prime mover in new tightening of network authority at CBS-TV is exec. vp James T. Aubrey Jr. New edicts were detailed to network staff in a Nov. 17 memo that minced no words (see page 9).

Watchdog of new CBS policies will be Joseph H. Ream, veteran attorney & the network's Washington vp, named by Aubrey to brand-new post of vp in charge of program practices. Reporting to Ream will be CBS-TV editing dept. (continuity acceptance), under the direction of Herbert A. Carlborg. To replace Ream in Washington, CBS has appointed as vp Edmund C. Bunker.

No British "magazine concept" of total program control, with advertisers merely spot buyers at network level, is envisioned by CBS, we're told. Move, however, goes a long way toward giving CBS a firm voice in dictating better all-program balance, and how all CBS programs will operate.

Similar tightening is being explored at NBC-TV, which has been quietly looking for a way to ease out the Gillette-sponsored Friday Night Fights series. NBC is playing it cautiously, but did admit last week it was "reviewing" the Fri. sports series (whose image & ratings, NBC privately feels, have suffered as result of charges of gangsterism in the fight business) on "an amicable basis" with the sponsor, even though it's one of the oldest sponsored shows on NBC-TV.

FCC is in peculiar position as by-product of these moves. In recent months, the Commission has probed network program control over option time and proposed to reduce it somewhat. Now, fully in agreement that tighter program controls are necessary in wake of quiz scandals, FCC must determine whether such control is best achieved by more, not less, editorial power in hands of network.

Canada

More about

THE CANADIAN PICTURE: Money, in Canada as elsewhere, is difficult to track down. In Ottawa last week, we found it impossible to determine which U.S. & other non-Canadian interests are seeking or will seek to take advantage of the 25% ownership in the 8 new major-city, privately-owned TV stations to be authorized in the next few months (Vol. 15:31 p1) The interests will be disclosed, however, as the Broadcast Board of Governors conducts its public hearings in the respective cities, starting on the following dates: Winnipeg Jan. 13, Vancouver Jan. 18, Montreal March 7, Toronto March 14, Edmonton & Calgary May 9, Halifax June 20.

Deadline for applications has passed only for Winnipeg & Vancouver, and the names of applicants for those cities have been released: Winnipeg—Perimeter TV Bcstrs. Ltd., 228 Notre Dame Ave; Joseph Harris, "on behalf of a company to be incorporated," 294 Portage Ave; R.S. Misener & Associates, for a "to be incorporated" organization, Grain Exchange Bldg. Vancouver—British Columbia TV Bcstg. Corp. Ltd., 1204 Strand Bldg.; Pacific TV Co. Ltd., 355 Burrard St; Allen M. McGavin, for a "to be incorporated" group, 2091 W. Broadway; Vantel Bcstg. Co. Ltd., 1219 Richards St.; Metropolitan TV Ltd., 1292 W. Georgia St. Stockholders of none have been disclosed by the govt.

Deadlines for applications in the other cities are: Montreal Nov. 30; Toronto Dec. 31, Edmonton & Calgary Feb. 29, Halifax & Ottawa March 31.

There's no question that a gold rush is on, perhaps even more intense than that which followed the U.S. freeze ending in 1952. In Ottawa, there were rumors of 30-50 applications in preparation for Toronto, but the general belief is that the showdown will produce far fewer—but still probably more than any U.S. hearing has produced.

It would take FCC half a decade to pick the winner from so many applicants—but the BBG has a secret weapon: no cross-examination by competing attorneys. Lawyers may help applicants present their cases, but only BBG members & their counsel may ask questions.

BBG has shown its speed elsewhere. For its vital new regulations governing TV (see p. 1), it issued a mere 4-page proposal July 28, held hearings Nov. 2 & 3, came up with a final decision Nov. 18. BBG also has the advantages of youth (being only a year old) and of having broad discretion in making its own rules. Its Broadcasting Act is only 15 pages long.

There's no doubt that private stations will make money fairly fast—in the big cities at least. Though there is now no more than one station in any Canadian city, except those with one English- & one French-language, about 60%

of the Canadian population can & does watch U.S. stations much of the time. But the new Canadian stations will provide the first local competition.

J. Alphonse Quimet (pronounced we met), pres. of the govt.-owned Canadian Bcstg. Corp. which operates most major-city stations now, tells us he has no doubt that the new stations will bring in new money but he's also sure they'll cut into CBC revenues, too. However, it's up to Parliament, he says, to decide how much to subsidize CBC.

CBC's finances are an open book. In the year ended March 31, it took in \$33,194,522, spent \$87,314,553, the govt. made up the difference. In the preceding year, it had revenues of \$29,390,035, expenses of \$73,258,972.

Private broadcasters' finances are a secret. The govt. doesn't even give out a lumped figure although it has them. However, people who know, such as BBG counsel William Pearson, assure us that private telecasters make out very nicely after the first few years of operation. "Even in towns of 25,000 to 30,000, they make a profit," he said. Ouimet adds that many small stations would never even start without CBC's heavy feed of programming & payments for sponsored programs. "Look at Dawson Creek & Kamloops, he said. "I think we have stations in even smaller communities than you do in the U.S."

* * *

Canada has an approach to broadcasting economics totally different from that of the U.S. It won't authorize a station unless it thinks it can make good financially. FCC authorizes all that the technicalities will allow and lets the devil take the hindmost.

The Canadian govt.'s economic guesses have been conservative, obviously. Only one or 2 radio stations have gone under in the last 10 years, according to F. G. Nixon, telecommunications dir. of the Dept. of Transport, the govt.'s engineering & clerical arm for broadcasting.

The Canadian regulatory scheme isn't well understood, even by many Canadians. The BBG is now top dog. It sets programming & commercial policy and determines who shall operate stations. CBC had BBG's powers besides operating a network & stations. Now it's an operator only.

CBC is govt.-owned, reports to BBG and Parliament, but its employes aren't civil servants. It's supported by govt. grants & advertising. The public pays no license fee.

BBG is a 15-member (2 women) body. Three members are full time: Chmn. Dr. Andrew Stewart (\$20,000 a year), Vice Chmn. Roger Duhamel (\$18,000), Carlyle Allison (\$17,000). The rest get \$100 a day & expenses when they attend meetings—a minimum of 6 annually.

Dr. Stewart is an economist & the former pres. of U. of Alberta. Duhamel & Allison are former newspaper editors, *Montreal La Patrie* and *Winnipeg Tribune*, respectively. BBG members currently outnumber their staff of 12, which is being built to a maximum of 28 under energetic

young secy. William D. Mills. (For other BBG members, see page 489, TV FACTBOOK No. 29.)

Allison foresees the new stations: (1) Providing a choice of Canadian stations for the first time. (2) Giving "more exposure to the Canadian way of life." (3) Giving smaller advertisers a break. (4) Encouraging more national advertising.

"The local radio & newspapers are worried," he said, "but I think the new stations will produce more advertising for all in the long run." Talk of a new network among the new stations is vague at the moment, he said, but he expects plenty of video-tape exchanges initially.

As for his reaction to the U.S. quiz scandals, Allison said he can see how the intense competition could contribute to the problem. He was particularly "horrified," he said, by the way comedians such as Bob Hope "spoofed such a serious matter."

CBC chief Ouimet is cheerful about the competition for audience & business to come from the new stations. "After all," he said, "CBC recommended several years ago that second stations be authorized." He also stands ready, if Parliament gives its decision & the money, to start a second network service for the new stations, which aren't permitted to affiliate with U.S. networks.

He's proud of CBC's achievement, noting for example that CBC produces more programs for 2 networks (English & French) than Britain's BBC or ITA and the French TV system. Ouimet doesn't believe that the formation of BBG will alter Canadian TV's course noticeably. BBG was established, he noted, because private broadcasters objected to the fact that CBC has been both its regulator & its competitor—"both judge & jury." Only time will tell, he said, whether private broadcasters find BBG a tougher regulator than CBC was.

Ouimet is serious about Parliament's mandate that Canadian broadcasting be "basically Canadian in content & character." "We don't want to be insular," he said, "but the factor is very important. No one in Canada—very few people at any rate—question the fact that we should stress the 'made in Canada' aspect of physical & material things, but I think it's even more important in things of the mind."

* * *

The U.S. quiz scandals give CBC no problem, he said, simply because CBC didn't carry the shows—rejecting them as an unsatisfactory type of program. Such problems are far less likely to occur in Canada, he said, because: "We produce our own programs and therefore have better control. The advertiser has no control at all over program content. For example, our main drama program may be sponsored one year, unsponsored the next. That's all right with us. We still produce it."

Ouimet is pleased to see FTC taking a sharper look at U.S. commercials. "Whatever improvements occur in the U.S. are good for us. For example, Canadian subsidiaries of U.S. companies frequently complain when we reject their commercials, pointing out that the U.S. networks accept them. This exerts pressure on us."

Grateful to U.S., too, for its TV pioneering, engineer Ouimet said: "We've taken the best of U.S. developments in engineering & programming and we're glad to have them." He's also wistful about the loss of topflight Canadian performing & producing talent to U.S. & Britain—"We can't pay anyone \$100,000."

Dept. of Transport engineers, like their FCC counterparts, trying to squeeze the most out of the 12 vhf channels, are also disappointed by uhf's failures. Canada has no uhf stations, only a couple of low-powered translators.

DOT's F. G. Nixon, dir of communications, said that the proposed allocations changes (Vol. 15:43 p5), which would permit drop-ins via mileage-power-height cuts, are now being considered by the Canadian Radio Technical Planning Board, which includes representatives from all branches of industry. "So far," he said, "the broadcasters like the look of it, but they want to give it much more study." As in the U.S., the vhf channels are largely taken up by operating stations, and more stations can be provided only by changing standards.

Illegal boosters? "We have none," said Nixon. "When we hear of one, the Mounties go in and seize it—and that's it. That's quite a deterrent. If a booster operator comes in with a first-rate piece of equipment, we'll license him."

CATV is no problem. CATV operator pays a \$25 license, and the govt. requires only that he neither "mutilate the signal nor radiate excessively."

Congress

ULTIMATUMS FROM MAGNUSON: Breaking an unaccustomed silence he had kept since rival House investigators took over TV quiz scandals & headlines last month (Vol. 15:40-46), Senate Commerce Committee Chmn. Magnuson (D-Wash.) charged out of his corner last week, swinging hard at broadcasters, FCC & FTC.

Long a stern critic of TV-radio & FCC practices, Magnuson opened up again Nov. 16 by challenging NAB's TV Code Review Board at its Los Angeles meeting to clean up or shut up (see p. 8). He announced he was calling "the industry" and FCC & FTC on to his Washington office carpet for a show-down early in Jan. Then he fired heavy broadsides at all hands in a speech to the Wash. State Assn. of Bcstrs. at a meeting preceding NAB's concluding fall regional conference Nov. 19-20 in Seattle.

"The TV scandals have shocked us all," Magnuson said at the outset of his Seattle speech, in which he related how he had initiated the TV quiz probe, then stepped aside to let House Commerce Chmn. Harris (D-Ark.) carry on.

He wound up with a threat to push legislative correctives for TV's recently-exposed ills if they aren't cured promptly: "I repeat that I propose to call a meeting of the Federal Communications Commission, the Federal Trade Commission and the industry immediately after Congress convenes—with an eye toward examining the procedures that have been adopted that would be effective self-regulation. I have faith in your ability to self-police your industry. But I will move immediately with legislation if your action is meaningless or ineffective."

In his speech Magnuson rang such alarms as these:

On quizzes: "The size & extent of the fraud & deception was staggering. The 'get-rich-schemes' that formed the quicksand foundation of these shows corrupted many and deceived millions. The demands for action to prevent a recurrence of this tawdry situation are loud & clear. Necessarily steps must & will be taken to avoid such happenings in the future."

On the TV code: "I was hopeful that the TV industry—through its TV code—could handle the kind of question that was raised in the rigged quiz shows on the basic & fundamental premise of honesty of presentation. It is obvious that the code has proven to be ineffective, because no action has been scheduled."

On FCC: "I want to commend the FCC [for finally] expanding its so-called radio & TV network broadcasting investigation to include the policies & practices being pur-

sued by some broadcast licensees in the field of programming & advertising that may be inimical to the public interest [see p. 2]. Frankly, I am totally surprised about the slowness of the Commission in moving into this field. There is no excuse. It has sufficient authority if it will only exercise it."

On FTC: "I was amazed at the statement of its Chmn. Earl Kintner concerning the expansion of its monitoring operations and its crackdown on misleading & fraudulent broadcasting ads (Vol. 15:44 p12) . . . He will note that [in 1956] I urged the FTC to move . . . If something is missing, I want to know why and I propose to find out."

And for TV & radio operators in his immediate audience, Magnuson had this lecture: "That there have been abuses is to put it mildly. The first thing you must do as broadcasters is to take inventory of your own operations. There is no man or woman in this room even slightly experienced in broadcasting who does not know a quality program from a bad program and who cannot distinguish between a good ad & a misleading or fraudulent ad.

Sen. Case (R-N.J.), a Commerce Committee member, also said he was "shocked & distressed" by the quiz disclosures. "We know that some major reforms must take place," he told an audience in West Orange, N.J.

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Earlier last week, the Senate Commerce Committee broke into the news of the quiz scandals and their aftermaths with published reports that Sen. Monroney (D-Okla.), another member, was readying hearings on "rigged" TV ratings. The stories developed in the newspapers after MBS Pres. Robert E. Hurleigh made a speech to Washington's Sales Executive Club. Subsequent statements from Monroney's office did not support them.

Hurleigh, whose radio network has been having troubles of its own, said that the Senate committee "has amassed a great amount of information about possible [TV] broadcast circulation misrepresentations." Committee sources told us that it has accumulated a mass of information about rating methods since Monroney held one-man hearings on them in 1958 (Vol. 14:24 et seq.)—but that neither Monroney nor any other member of the committee has alleged that ratings are "rigged."

"At the basis of all the shenanigans [in the quizzes] is the mumbo-jumbo of ratings," Monroney said. "They are inadequate but not necessarily inaccurate." He later repeated that he had found no evidence of "rigged" ratings. Monroney still wants to resume his hearings on how ratings influence TV programming but, as of last week's end, none had been scheduled.

Meanwhile, the House Commerce legislative oversight subcommittee's staff was beating the bushes around stations in Philadelphia, Chicago, Los Angeles, Boston, Detroit, Milwaukee and Miami—as starters—for likely payola witnesses for the next phase of its hearings, which may start next month (Vol. 15:46 p8).

"Reports are coming in from all over the place," said subcommittee counsel Robert W. Lishman, reporting that his staffers were concentrating on specific payola clues rather than "letters complaining about the nature of programs and that sort of thing."

ABC-TV, which had escaped direct involvement in network quiz disclosures because it has never carried big-money shows, was touched by the payola investigation. Oversight staffers interviewed ABC-TV's headliner Dick Clark about his practices on *American Bandstand*, which is produced by Triangle's WFIL-TV Philadelphia, *The Dick Clark Show* and *World of Talent*.

Teen-age favorite Clark quit 3 music publishing firms in which he has had interests after ABC announced a newly-formulated policy "whereby performers & others who select to play records will be required to divest themselves of all interests in recording, music-publishing and allied fields." Producer Anthony Mamarella of *Bandstand*, who has an interest in a Philadelphia record firm, resigned when he was given this ultimatum from the network.

As for Clark, ABC said in a statement that the network is "satisfied that ABC has been apprised of all pertinent details relating to the various Dick Clark programs and his related activities. We have concluded our investigation with renewed faith in Dick Clark's integrity."

* * *

The House subcommittee's quiz-&payola pot was kept boiling at the same time by:

News-conference predictions by Attorney Gen. William P. Rogers that "some prosecutions might result" from Justice Dept.'s own quiz probe. He said Sec. 1343 of the U.S. Criminal Code which forbids use of interstate communications in "any scheme or artifice to defraud" (such as bait & switch advertising) might be invoked. (Actually, it's understood that Rogers' intentions are much firmer than his words implied, that he's going all-out in pretty grim fashion, leading to presentations to a grand jury soon. In Washington, however, attorneys wondered about the strength of Rogers' legal legs if he stands on Sec. 1343. Many doubt that the law covers quiz-rigging.)

A statement by oversighter Rep. Bennett (R-Mich.) that it is "deceptive" for any disc jockey to have any financial stake in record or music publishing firms.

Partisan arguments in the Nov. *Democratic Digest* that President Eisenhower, who has called the quiz scandals "terrible," appeared on "rigged" campaign shows in 1952 & 1956.

A blast at CBS-TV by the Women's Christian Temperance Union for "featuring murder, gun fights & violence" on its shows, and denunciation of TV in general by exec. vp Dr. Truman B. Douglas of the Home Missions Board of Congregational Christian Churches.

A suggestion by Democratic Gov. Robert B. Meyner of N.J. that TV fix practices should be blamed on the Eisenhower Administration for its "mediocre appointments" to such regulatory agencies as FCC & FTC. He told the Young Democrats national convention in Toledo that a bad example of such appointments was FCC's "bumbling, myopic John C. Doerfer."

A spot check of disc jockeys across the country by UPI, which found that many had heard of payola but that most thought it must be practiced in other cities—not in their own territories.

* * *

A N.Y. payola probe was also running in high gear. DA Frank S. Hogan, who has been matching the Washington TV investigations almost play for play, last week subpoenaed books & financial records of 11 recording companies (mostly in the rock-&-roll field, with no majors such as Capitol or RCA Victor involved) as "an exploratory move" to determine if commercial bribery is involved in persuading disc jockeys to play new records. Also in N.Y., the 12,000-word Grand Jury report on quiz shows—the report largely responsible for starting the recent House probes—went under permanent wraps as general sessions Judge Mitchell D. Schweitzer denied the jury's request to make the report public since it lacked "the right to answer and to appeal."

TV MEN BITE PRESS DOG: Indications are mounting that the TV industry—at all levels—has just about had it as regards the bombardment of print-media criticism, cure-all proposals and general carping leveled against TV in the wake of the Washington quiz probes. Last week, the industry began to fight back on several fronts.

Dave Garroway, star of NBC-TV's early-morning *Today* series, let off steam for a full 15 min. in his Nov. 20 pre-taped telecast, counterattacking recent press blasts against the taping of his emotional comments on Charles Van Doren. "I want you to understand that except for the news portions this program is on tape," said Garroway, who went on to explain the reasons (time uniformity in all zones, guest personalities available only during the day, etc.) why his show was recorded 14½ hours before telecast. "There's been no secret about all this taping," Garroway said, adding that the move has had "every bit of publicity that our press department could give it." If the taped segment dealing with his comments on Van Doren had been edited out, said Garroway, "Could you imagine what dark meanings the papers would have ready in such an alternative? Why has Garroway been muzzled?" As a final thrust, Garroway stated, "it's time somebody exposed the unconscionable smears for what they are."

An even stronger broadside was fired Nov. 20 by NBC Chmn. Robert W. Sarnoff in one of his periodic "open letters" to TV editors. Sarnoff's target: Time Inc., which the NBC chmn. said was operating under "curious double standards" in blasting TV while drawing "millions of dollars" in TV revenue from Time-owned TV outlets which, without once protesting, have carried most of the quiz shows that have been prime expose targets.

"It's hard to escape one of 2 conclusions," said Sarnoff in a minor masterpiece of sarcasm. "Either the Time Inc. management places little credence in its magazines' stories about corruption & mediocrity in the network service, or the management embraces that same crass, unprincipled commercialism of which its magazines accuse us."

Earlier in the week, one of TV's best-known admen—McCann-Erickson senior vp C. Terence Clyne—launched a similar counterblast at a Nov. 17 RTES seminar luncheon in N.Y. that drew the largest turnout in 6 years for an RTES affair. M-E's Terry Clyne, who bosses a TV operation that amounts to 18 hrs., 25 mins. weekly of network programming, agreed that "corrective action" was necessary, that the double-spotting in station breaks represented "too many commercials," and that "extraneous plugs should be knocked out." Clyne went on to score "people on cloud 9" who attack TV without knowledge of the industry. "All of Hollywood & Broadway will produce less than 200 hours of theatrical entertainment this year," he said, "If you took the best 200 hours of TV (from a total of some 3,000 TV hours annually on networks between 7:30-10:30 P.M.) and compared them, TV would win hands down."

At the same RTES meeting, programs & talent vp David Levy of NBC-TV listed some of his network's program highlights of the previous week, then launched a barb at "some of the self-appointed & self-anointed spokesmen for the industry . . . willing to shoot everything on sight." Levy compared (as Clyne did) TV with another medium, stating that "neither are all the 12,000 books published each year good and no critic demands that they all be good—or even be read."

And across the nation, TV stations began to take to the air with some editorial comment. (See next column.)

Defense Editorial: One of the stations that are not too intimidated by the present furor to speak up for themselves & the industry is WDSU-TV New Orleans. Exec. vp & gen. mgr. Robert D. Swezey sends us the following editorial which was aired over the station as well as radio WDSU on Nov. 16.

"The other day we suggested that the television quiz show scandal is being blown up out of all proportion to the facts. Broadcasting people are ashamed of the rigged shows and they're doing something about it. But it seems to us it's ridiculous to treat the fakery on half a dozen question shows as a national disaster . . . and ridiculous to use this situation as a springboard for violent attacks on television programming in general.

"American television produces programs for the greatest mass audience in the history of the world. U.S. programs are among the most popular in Great Britain, which has both commercial and government TV systems, and all over the free world. Our three TV networks alone carry more than 10 thousand hours of programming a year—20 times the quantity of entertainment Hollywood produced for movie screens last year.

"All kinds of pressures shape television programs. One is the much-criticized rating system which, whatever its defects, is an honest attempt to find out what *most* people want to see. The overall result, in our perhaps biased opinion, is remarkably good. First, we see no reason to apologize for the basic programs that add up to good entertainment: *Wagon Train* and *Gunsmoke*, *Peter Gunn* and *Maverick*, *Perry Como*, *Steve Allen*, *Ed Sullivan*, *Dinah Shore*, *Playhouse 90* and *Sunday Showcase*.

"Second, we don't believe there has ever been a television season better than this one in terms of productions of serious works. In the past few weeks we've seen Henry James' "Turn of the Screw," Maxwell Anderson's "Winterset," George Bernard Shaw's "Misalliance," Somerset Maugham's "The Moon and Sixpence," Henrik Ibsen's "Doll House," Thornton Wilder's "Our Town." We've seen news specials by Edward R. Murrow on missiles and by David Brinkley on national politics. Locally, this station has cancelled regular evening programs to present a news special on Louisiana politics, a special panel on juvenile delinquency and a live broadcast of a local opera production.

"The quiz show scandal, it seems to us, does not erase the fact that American television is now doing an excellent job of presenting memorable & worthwhile entertainment."

That one-hour boycott of TV, proposed by syndicated Washington columnist Roscoe Drummond, was something of a bust last week, according to rating reports shown us by A. C. Nielsen and ARB. Drummond had proposed a don't-watch-TV period of 10-11 p.m. Nov. 17, as a "dramatic & forceful" means of showing sponsors, networks, etc. that the public wasn't to be trifled-with. Multi-city Arbitron figures showed a sets-in-use level of 61.1% for the time period, as compared with a 66.0 the previous week and a 60.2 the week before that. The overnight Nielsen measurement for N.Y. showed a 62.2 for the 10-11 p.m. segment, as compared with 65.7 the previous week. "Well within the normal rise & fall of sets-in-use figures for this time of year, with no significant change," is how both research firms summed up columnist Drummond's effect on TV viewing in major TV markets.

New rep: KGBT-TV (Ch. 4) Harlingen, Texas, to Venard, Rintoul & McConnell from H-R Television.

TVB HEARS WARNINGS: Members of the Television Bureau of Advertising gathered in Chicago last week to mark a 5th anniversary. Among other messages, they got the word that TV must clean its house pronto—or have it done for them. The stage was set by FCC Chmn. John C. Doerfer in a stern speech which acknowledged no FCC responsibility for the quiz fix in which TV finds itself. Doerfer warned that the industry needs a crash reform program to rescue itself.

"There are a number of observers, both in & outside of the broadcasting industry, who feel that the American system of broadcasting will come to a crisis with the resumption of the Congress in Jan. of 1960," Doerfer said. "If the industry does not successfully survive that crisis, it has no one to blame but itself."

Persistent cries of "there ought to be a law" are heard, Doerfer warned. To try to stop them—and possible govt. censorship—he said the industry should "set up its own internal controls" to: (1) Prevent "objectionable deceptions beyond acceptable dramatic license." (2) "Cull out all forms of exaggerated claims & half truths [in commercials] which assault common sense." (3) "Modify those attitudes which regard the public as so many impersonalized digits." (4) Give broadcast licensees "full control" over all programming—"including the commercials."

The "clean-house" message was soundly echoed by TvB Chmn. Roger W. Clipp (vp-gen. mgr., radio-TV div., Triangle Publications, Inc.) and TvB Pres. Norman E. Cash. Clipp urged immediate self-regulation for TV through an expanded TV Code Board with power to grant an NAB seal of approval to commercials & programs meeting a more complete set of TV standards.

He called for previewing of commercials & programs, beginning at the storyboards. The NAB seal of approval he envisions would be granted to network, local or syndicated programs or commercials, live or on film, which met code standards. "With this sort of voluntary regulation," he told TvB, "TV can have what no other medium ever has had—an industrywide testing lab and a symbol which can be a standard of acceptance to both buyers & sellers."

Cash told the Chicago meeting TV must "keep a tight rein on advertising to make certain that products are as advertised," and programming "must be designed to broaden the intellectual capacities of our people and to improve the social and economic understanding of our civilization."

Arthur C. Nielsen Sr., chmn. of A. C. Nielsen Co., normally imperturbable, refused to turn the other cheek to the current crop of post-quiz criticism of rating services, and launched an ad-lib roundhouse right at what he termed "irresponsible charges" and "astonishing statements" concerning TV research.

Nielsen Sr., departing from the text of a prepared speech, termed as "vicious & unjustified" the attacks on his own firm's rating services, based upon what he described as "complete lack of knowledge of audience measurements or even inclination to learn what our business is all about." Drawing a bead on Sen. Mike Monroney (D-Okla.), who has launched an attack on research services (see other story, p. 5), Nielsen snapped that "outspoken individuals in Congress condemn sampling in TV research and yet base important decisions on government statistics produced by these same sampling methods."

TvB's board approved a 1960 budget of \$1,050,000 and the installation of a TV-tape recorder for TvB's move to new headquarters at 1 Rockefeller Plaza in mid-1960.

More about

McGANNON URGES SELF-REGULATION: When we asked NAB TV Code Board Chmn. Donald McGannon last week in Los Angeles what was being done about those commercials labeled as deceitful & fraudulent by Washington committees & officials, he said he'd been trying to do something for 6 weeks, with no affirmative results, adding: "We are not getting cooperation from the ad agencies & sponsors involved. We cannot force them to cooperate, because they are not signatories, and because this is a voluntary code. These commercials are seen on stations & networks which have the seal, but any self-regulatory code which is voluntary is difficult to enforce."

This was probably part of the reason for McGannon's emphasis—at NAB's fall conference session (see p. 3) in Los Angeles—that the industry must comply with a strengthened code. "We have the FCC beginning hearings. The oversight committee plans hearings. So do the FTC and Sen. Magnuson. Everybody is getting into the act," he warned. He told broadcasters that the focal point is program control and insisted "you, and you alone, are the final determinate of what goes on the air."

Pointing out that the industry is in a position of "discomfiture and under pressure," McGannon outlined the Code Board campaign to offset this. He said the Board has stepped up monitoring of advertising on subscriber stations from 20,000 to 100,000 hours a year; it has increased monitoring of program content; it has opened a Hollywood office to advise telefilm producers. Stations must engage in promotion, he said, to advertise the code.

McGannon expressed concern about commercials which suggest a product is capable of doing something it can't. "Our basic decision to be made is whether we're going to do the job [of eliminating this practice] or someone else is going to do it for us. "We find the idea of government regulation repugnant." The NAB official said he had contacted non-subscriber stations, but added grimly, "There has been no meaningful response. I detect no groundswell."

McGannon said the Code Board does not think Rep. Harris (D-Ark.) and his committee, the FTC or FCC want to regulate TV any more than it is now regulated, and would do so only if the industry doesn't solve its own problems. "We must clean up our own houses. This means demonstrating by word & act, the integrity that is expected of us . . . without this, any attempt to convey an image of responsibility to the public or their governmental representatives will be a sham and rejected."

Previously, Louis Hausman, dir. of NAB's TV Information Office, had told delegates the industry must counter-attack with a campaign pointing out the good in TV—the information & public service programs, for example. He urged stations & advertisers to promote such shows. "We must reject this total indictment because of the failure in the one area," he declared, adding that TV has much to be proud of but hasn't done much to stress this.

NAB Pres. Harold Fellows earlier defended the work of NAB and asked broadcasters to show a unified front and settle their intra-Association problems internally. He urged that more stations subscribe to the NAB code and warned that the survival of TV as a free enterprise industry is at stake. Fellows admitted there has been increasing criticism of drinking scenes on TV and that NAB may amend the code to curb such scenes. NAB, he said, is investigating payola to correct a "deplorable" situation.

In Washington, the closed-circuit presentation was

viewed in WTOP-TV's Broadcast House audition room by FTC Chmn. Earl Kintner, FTC Comr. Edward C. Tait, and Senate Commerce Committee communications counsel Nicholas Zapple. Also invited to the special TV party by Westinghouse Bcstg. Co.'s Washington vp Joseph E. Baudino were FCC members, who were delayed by a Commission meeting, and counsel Robert W. Lishman of the House Commerce legislative oversight subcommittee. FCC Chmn. Doerfer and his legislative asst. Paul M. McDonough arrived just as the code show ended. Lishman sent his regrets. Kintner, Tait and Zapple made no on-the-record comments, but they watched & listened closely.

Full ownership of radio WLS Chicago is being acquired by 50% owner AB-PT, which has agreed to buy the stock of 50%-owner Prairie Farmer Publishing Co. AB-PT financial vp Simon B. Siegel said that AB-PT would continue the publication of magazines owned by Prairie Farmer—*Prairie Farmer*, *Wallace's Farmer*, *Wisconsin Agriculturist*. AB-PT recently rejected a \$20-million offer, by an undisclosed organization, for its radio o&o's—WABC N.Y., WXYZ Detroit, KGO San Francisco, KQV Pittsburgh, 50% of WLS. An AB-PT spokesman said that the offer was declined because ABC is committed to maintain a radio network for public service & defense purposes and that the network losses would be too great to sustain unless offset somewhat by the profits of o&o's.

NAB's TV membership reached a total of 327 stations (among 560 on the air) last week with the addition of Midwestern Bcstg. Co.'s WTOM-TV Cheboygan, Mich., bringing all Paul Bunyan Network TV & radio properties under the NAB banner. The company's WPBN-TV & WTCM Traverse City already were NAB members. Paul Bunyan radio stations joining up with the NAB to bring its AM members to 1,540 (among approximately 3,500 on the air) were WATC Gaylord, WATT Cadillac, WATZ Alpena, WMBN Petoskey. NAB membership also includes 448 FM stations (among about 650 on the air).

RCA shipped 25-kw transmitter Nov. 18 to KSWO-TV (Ch. 7) Lawton, Okla., planning boost to 316-kw at new site near Grandfield, Okla.; 10-kw transmitter Nov. 13 to educational WTHS-TV (Ch. 2) Miami, Fla., planning boost to 100-kw after move to Hollywood, Fla.; also a monochrome TV tape recorder to WTVR Richmond and to the Washington Procurement Office, Berryville, Va.

Sale of KOVR (Ch. 13) Stockton-Sacramento, Cal. to Metropolitan Bcstg. Co. for more than \$3.5 million by Gannett newspapers was completed last week, subject to FCC approval. Just 4 weeks ago (Vol. 15:43), Metropolitan announced the purchase of radio WIP Philadelphia and uhf WTVH Peoria.

Facility changes: WGAN-TV (Ch. 13) Portland, Me. began programming Oct. 30 using 1619-ft. tower on Brown Hill, Raymond, Me., currently world's tallest tower. KFVS-TV (Ch. 12) Cape Girardeau, Mo. Oct. 20 began construction of 1676-ft. Dresser-Ideco tower, 8.5 miles N of town. KMMT (Ch. 6) Austin, Minn. Nov. 1 boosted to 100-kw.

As if the TV quiz-scandal was not getting enough front-page publicity these days, when an entirely different kind of 7-day wonder comes along—the finding of \$10-million worth of great Renaissance paintings—they turn up under the bed of—natch—a TV repairman.

Radio KGIL Los Angeles was sold for \$800,000 last week by Pierce Brooks Bcstg. to Richard D. Buckley & John B. Jaeger, owners of WHIM, Providence, R.I.

Networks

More about

CBS TIGHTENS CONTROLS: To make CBS-TV programs "exactly what they purport to be," a new set of ground rules was issued Nov. 17 by exec. vp James T. Aubrey in the form of a 4-page memo that touched on topics ranging from contests to the proper introduction of a pre-taped show.

Aubrey made clear that there would be no witch hunts in the realm of "artifices used in programs which are clearly fiction." Theatrical conventions are so solidly planted in the minds of the viewers that no problem of deceit or misconception is involved.

Although no signs would be flashed that bullets in Westerns are really blanks or that many a heroine's dazzling smile was really a triumph of cosmetic dentistry, other program areas have to toe the mark under the new CBS rules. Samples:

Games & Contests: Big-money game or quiz shows are barred. All other game or panel shows "are to be conducted in all respects in precisely the manner in which they purport to be conducted . . . any element of preparation must be disclosed." The manner of selecting contestants from the audience must be disclosed.

Interviews & discussions: Anything other than "rehearsal of physical position & movement on camera" in the way of advance preparation must be announced, particularly "questions . . . supplied in advance to the person being interviewed," or where "the area or nature of the interview is . . . delineated." Pre-recorded interviews used in connection with special-event shows must be identified.

Recorded shows: If a show is totally or partially recorded in advance, "whether on film or tape," announcement of that fact must be made at the start or end of a show. Lip-sync (mouthing silently to a pre-recorded sound track) must be tagged as such, and the phrase "live on tape" is now taboo.

Artificial laughter: In this area—thanks largely to the outraged howl that went up from comedy producers that they couldn't produce filmed comedy without canned yaks from an unseen screening-room audience—something of a compromise was made. When artificial laughter or applause is used, "that fact must be clearly disclosed," said Aubrey, who didn't rule it out completely as CBS Inc. Pres. Dr. Frank Stanton had reportedly done a few weeks before.

Network watchdogs: All CBS personnel concerned have to face the responsibility for carrying out the new orders, Aubrey stated, but added that "a new office will be created" within CBS-TV (See p. 3) to act as the implementation arm of the new rules, and "to formulate & recommend additional rules."

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NBC dislikes Fri. boxing bouts, sponsored by Gillette, for 3 reasons, we learned reliably last week:

(1) Ratings are weak. In the latest national Nielsen reports, the bouts pulled a 13.9 Nielsen average audience level against ratings like 19.4 for *Twilight Zone* on CBS-TV, and an 18.3 for *Detectives* on ABC-TV. (2) Public "image" surrounding boxing today has been clouded by recent charges of fight-business gangsterism, and some of it may rub off. (3) NBC's profit margin on the fights is slim, since production problems are many. NBC would like to dump the series, but since the package is actually Gillette's, the network must come up with a good reason if it drops the axe—or face legal arguments.

Network Television Billings

September 1959 and January-September 1959

(For August report, see TELEVISION DIGEST, Vol. 15:41)

Sept. Shows Sharp Gains: Network TV gross-time billings climbed still higher in Sept., netting \$48,176,459 for a 13.6% gain over Sept. 1958's \$42,417,190, and increasing the year-to-date total to \$451,013,344—10.5% ahead of total billings for Jan.-Sept. 1958. Sept. business also reversed the trend extant since April by bettering the billings of the previous month—\$48,176,459 compared with \$46,641,308 in Aug. CBS led the networks in dollar volume, racking up Sept. billings of \$21,196,220, cumulative billings of \$195,350,810. ABC scored the biggest percentage gains: 29% ahead in Sept.-over-Sept. billings, 19.8% ahead in cumulative comparisons.

NETWORK TELEVISION

	Sept. 1959	Sept. 1958	% change	Jan.-Sept. 1959	Jan.-Sept. 1958	% change
ABC	\$ 8,546,650	\$ 6,627,093	+29.0	\$ 86,566,156	\$ 72,252,184	+19.8
CBS	21,196,220	19,427,754	+ 9.1	195,350,810	181,191,831	+ 7.8
NBC	18,433,589	16,362,343	+12.7	169,096,378	154,672,625	+ 9.3
Total ...	\$48,176,459	\$42,417,190	+13.6	\$451,013,344	\$408,116,640	+10.5

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	22,077,285	19,739,816	52,126,364
May	9,946,570	22,298,271	19,674,494	51,919,335
June	8,930,114	21,171,128	17,984,845	48,086,087
July	8,391,470	21,269,782	17,883,111	47,544,363
August	8,205,520	21,137,261	17,298,527	46,641,308
September	8,546,650	21,196,220	18,433,589	48,176,459

Note: Figures revised as of Nov. 11, 1959. These figures do not represent actual revenues inasmuch as the networks do not divulge their actual net-dollar incomes. The figures are compiled by Broadcast Advertisers Reports (BAR) and Leading National Advertisers (LNA) for TV Bureau of Advertising (TvB) on the basis of one-time network rates or before frequency or cash discounts.

Medical radio service is being launched by NBC as part of its efforts "to create new uses & techniques for radio," the network has announced. Aimed at digesting the latest medical news for the medical profession, the service will operate on FM multiplex subcarrier channels, and won't interfere with normal FM radio service provided by network radio affiliates. Program content will be a combination of background music & medical reports 12 hrs. daily 5 days a week. NBC radio project mgr. Henry T. Sjogren added that three 15-min. medical news transmissions daily will be offered for sponsorship to ethical drug houses. Projected coverage for the service is 16 markets to start, eventually to reach 70 markets that cover 90% of the U.S. medical profession. Annual subscription price to doctors for the service (including installation by RCA Service Co. of receivers, speakers etc.) will be \$120 per year.

Soviet Ban on CBS operation of a Moscow news bureau has been lifted, after a 13-month slow burn caused by the *Playhouse 90* production of "The Plot to Kill Stalin," televised Sept. 25, 1958. CBS news dir. John F. Day stated that a Moscow correspondent would be named shortly. When CBS was officially booted out of Russia, Paul Niven had been holding the post.

Another postponement of MBS's reorganization under the Bankruptcy Act was recommended in N.Y. Nov. 17 by referee Asa Herzog, who has set the next meeting for Dec. 8. Although N.Y.C.'s tax claims against Mutual were settled out of court (Vol. 15:44 p11), the city now wants the settlement paid in a lump sum. Mutual, on the other hand, hopes to arrange a long-term payment plan.

RCA wouldn't confirm or deny last week a report in Nov. 18 *Variety* that Kenneth Bilby, NBC-TV exec. vp for advertising, promotion & PR, was leaving NBC for a similar post at the parent firm, replacing vp Ewen Anderson, who has been ill. Similarly, NBC-TV spokesmen declined to comment on the Bilby report. Bilby himself, long a close friend of NBC Chmn. Robert W. Sarnoff, was vacationing in Mexico, and could not be reached. Late last week, even after the news of Bilby's transfer was published in the trade press, both NBC & RCA were still maintaining official silence. But we learned from a reliable source that the Bilby shift was definitely set, although the question of finding a replacement for his vacated post—a specialized executive slot virtually tailor-made for Bilby—was undecided, with top network officials debating whether the post should simply be left unfilled.

TV network link with Alaska will be possible in about 2 years as a result of a 1,250-mile microwave link across Canada to be constructed under a deal between Canada and the U.S. govt. The 50-hop broadband microwave, designed for telephone & other communications, will be built by RCA Victor Co. Ltd. of Montreal for Canadian National Telegraphs at a cost of \$20-\$25 million. The system will carry 2 channels, one of which will be leased by the U.S. at a rental that will cover the capital cost of both. Alaska's stations aren't expected to carry many microwaved shows because of the extremely high cost.

NETWORK SALES ACTIVITY

ABC-TV

Bronco & Sugarfoot, Tues., 7:30-8:30 p.m., 18 alt. 30-min. segs. over 36 wks.
Brown & Williamson (Ted Bates)

Restless Gun, Mon.-Sat., 12-12:30 p.m., Sat. telecast only, plus Mon.-Fri. daytime participations.
Sweets Co. (Henry Eisen)

CBS-TV

Eyewitness to History, 4 prime evening news specials covering President Eisenhower's Dec. tour. Dec. 7, 12, 20, 23.
Firestone Tire & Rubber Co. (Campbell-Ewald)

Rawhide, Fri. 7:30-8:30 p.m., one-third sponsorships alternate weeks.
Elgin Watch Co., (J. Walter Thompson)

Alfred Hitchcock Presents, Sun., 9:30-10 p.m., renewal for 52 wks.
Bristol-Myers (Young & Rubicam)

Daytime participations, pre-Christmas one-shots in 4 day-timers plus *The Lineup*, Wed., 7:30-8:30 p.m.
Shulton Inc. (Wesley Associates)

Captain Kangaroo, Mon.-Sat., 8:15-9 a.m., additional 15-min. segs.
Sweets Co. of America (Henry Eisen)

The Verdict Is Yours, Mon.-Fri., 3:30-4 p.m., renewal of alt. 15-min. segs.
Lever Bros. (Ogilvy, Benson & Mather)

NBC-TV

Ruff 'n' Reddy, & Fury, Sat., 10:30-11 p.m., renewal for 52 wks.
General Foods (Benton & Bowles)

Amahl & the Night Visitors, Dec. 24, 8:30-9:30 p.m.
Pontiac (MacManus, John & Adams)

Film & Tape

CANADIAN TELEFILM UPSURGE: A large-scale boom in co-production telefilm deals north of the U.S. border is in the making, film executives told us in N.Y. last week. Primarily it's the result of a Canadian governmental edict that 55% of programming telecast by the forthcoming new crop of TV outlets in Canada's major cities be Canadian-produced. There is no quota until April 1961 when 45% will be imposed; 55%, in April 1962. (For other Canadian TV news, see pp. 1 & 4.)

Screen Gems is one of the first to form a Canadian production subsidiary (it already has a Canadian sales branch) designed to produce TV films & tape shows eligible as "Canadian" under the new quota system. The Screen Gems offshoot will be largely Canadian-controlled & operated, but will draw on the U.S. parent's talent & production resources. An additional long-term Canadian distribution deal has also been made between Screen Gems and Sovereign Film Distributors Ltd. of Toronto.

MGM-TV, purely by chance, has had a Canadian co-production deal in the works for some time with Robert Maxwell Productions for a filmed-in-Canada 30-min. series based on the MGM feature film "National Velvet." The N.Y. office of MGM-TV tells us it's holding a firm option from Rexall on the show for U.S. telecasting, and that plans are afoot to launch the series in Canadian syndication as soon as possible.

Filmways, N.Y. commercial film firm active in the tape & film program field (it produced the *21 Beacon St.* series starring Dennis Morgan this summer) is also scouting co-production program deals to be based in such Canadian markets as Toronto & Montreal. Through a facilities-exchange deal, Filmways has link with Warner Bros. TV.

Apart from these early starters, individual producers who plan to distribute through United Artists TV and Paramount TV are also reportedly blueprinting Canadian telefilm properties, and others like CBS Films, Ziv, ITC and NTA are reported "interested" in Canadian telefilm.

The production boom is no surprise to the telefilm industry. Many of the firms mentioned above have gained considerable experience in making end-runs around film quota systems in other foreign markets (notably Great Britain, which allows only 14% of its commercial or BBC-TV film shows to be non-British in origin).

Such co-production deals generally shape up like this: The deal is basically between an American producer or producer-distributor and a foreign film studio. The American group provides the basic property (idea, scripts, etc.) actors for key roles and top production talent (director, unit mgr., film editors, etc.), and possibly partial financing. The foreign studio provides studio space, facilities, crew, local cast, and most below-the-line items. The U.S. firm holds distribution rights for America and most of the foreign market. The foreign studio distributes in the country where the show is filmed.

The advantages of such deals are obvious—provided the show manages the not-so-easy trick of maintaining an international TV appeal. A sale within the Canadian quota might produce some \$5,000 weekly for a show technically Canadian. Since it would also qualify under the British quota, a major sale there might bring another \$5,000-\$7,500 weekly. Other worldwide sales could total another \$10,000 or so weekly. This means that a 30-min. film series, with a Canadian locale but with American stars, might be sold in U.S. for \$15-20,000 weekly and still show a profit.

New Look At 20th: A sweeping reorganization of 20th Century-Fox TV is under way, with its principal feature a decentralization of authority of the post of TV production chief. After Martin Manulis leaves to produce movies for 20th-Fox, his successor will be an executive who will coordinate policy and act as liaison between 20th-Fox TV pres. Peter Levathes and the various TV production units. New executive producers will be added to the 20th TV roster, and some may be dropped. Levathes, who last week signed William Self, CBS executive, as an exec. producer, informed us he envisions 4 units, each headed by an exec. producer. Asked if exec. producers Herbert Swope Jr. and Dominick Dunne would be included in the realignment, he replied, "For the time being."

Levathes will be administrative chief not only of 20th-TV in N.Y., but of the production operation at the studio. He is remaining at the studio longer than he had planned because "it's impossible to do the job from remote positions." Levathes points out that he and 20th-Fox Pres. Spyros Skouras are busy working on plans for acquisition of TV stations, so he can't devote all his time to studio production. That's why he's seeking the liaison executive.

"I feel that with 4 different production units we can do a more efficient job," Levathes said. Buddy Adler, 20th-Fox production chief will continue to serve in an advisory capacity to TV, he added.

Production Chief? Not for TV: The movie-studio production pattern (in which a single individual—the production chief—headed all producing units) was, quite naturally, imitated by TV film. But TV now appears to be questioning the wisdom of this arrangement because of its special complexities and volume demands.

MGM-TV has already quietly taken steps away from single authority by giving Richard Maibaum, who was originally signed as production chief, the status of executive producer of a limited number of properties. Henceforth there will be more diversification of authority. Explaining the move, Loew's Inc. TV vp George Shupert said, "This is no reflection on Dick. This is too damned much work for one man. The head of a movie studio production would supervise 20 to 25 pictures a year, but in TV you turn out 7 or more hours of entertainment a week. I don't think a production chief is necessary in TV. No one man is good enough to ride herd on more than 3 or 4 properties—it's just too much work. We are therefore bringing in producers such as Jaime del Valle, Richard Bare and Collier Young. Our approach is different. We get the property we like first and then the producer."

It's no secret that Martin Manulis chafed considerably in his job as production chief at 20th-Fox TV because he felt the administrative duties kept him from creative work. Studio sources tell us Manulis's successor will be an administrator, with the creative production work left to the individual producers. (See 20th-TV story above.)

Further evidence of the heavy burden carried by a TV production chief may perhaps be illustrated by Warner Bros., where William T. Orr holds that position. When he supervised only a few series last season, the studio was most successful. But with 10 series to look after this year, Orr is having quality & rating difficulties with several.

Revue Productions, TV's No. 1 film company, may have the answer to the problem. It has administrators at the helm, with a large number of producers & creators working with the executives. This system is also pretty much that followed by Screen Gems and Four Star Films.

Operation Salvage: Because most of the new 60-min. series on TV have not fulfilled expectations this season, production companies are trying desperately to revamp formats and bring in films which will have a better viewer reception. The 60-min. boom which began as a result of the success of *Wagon Train*, *Maverick* and *77 Sunset Strip* has been deflating, and it's too early to tell whether the new salvage measures will help the series in trouble.

Warner Bros. is changing the approach on scripts for *The Alaskans* to veer away from humor and emphasize action. On their *Hawaiian Eye*, they have removed part of the titles and the end trailers, to get another 2 min.

At 20th-Fox the format of *Adventures in Paradise* has been revamped to get more South Seas quality. The weakness of the show has lain in its scripts and star, so the studio is trying to correct the scripts and has hired a drama coach for Gardner McKay. Studio production chief Buddy Adler has moved personally into the situation. Another 20th series, *5 Fingers*, has also had inferior scripts and is trying to correct this.

CBS's *The Lineup* has had several producer shakeups, with Edgar Peterson the latest producer on the show Tom Tully walked out on this series when he and Warner Anderson were relegated to lesser roles, and the revised format has failed to spark any sizeable ratings. They're still trying to solve the problems on this series.

Revue's *Riverboat* series is seeking more action, and new characters will be introduced. Warner Bros. has a new problem on its successful *77 Sunset Strip*. With Edd Byrnes refusing to work pending a contract readjustment, scripts are now omitting the popular "Kookie."

Another 60-min. series, *Desilu Playhouse*, was the first casualty of the season when Westinghouse cut back its sponsorship to alternating weeks (Vol. 15:43 p. 13).

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Five Fingers and 2 other 60-min. shows got another chance to make good last week. Concurrent with a trip by NBC-TV program vp David Levy to the West Coast to confer with producers of NBC shows whose performance has been less than expected, NBC picked up the *5 Fingers* option for a 2nd 13-wk. cycle. Sold in participation segments, *5 Fingers* is currently about 85% sold over its initial 26-wk. stretch. Also renewed by NBC-TV were 2 other 60-min film packages, *Bonanza* and *Riverboat*.

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Biggest TV tape drawbacks at stations using recorders are initial costs of the machines and "the inclination of production people to spend too much time and/or money striving for perfect takes," according to an NAB survey. NAB's advisory committee on tape usage, headed by gen. mgr. Harold P. See of KRON-TV San Francisco, queried 96 tape stations, got 63 "useful replies" to questionnaires. In them, 33 stations said the purchase price of recorders was a deterrent to their use, 28 cited the perfection problem. Cost of the tape itself and maintenance & personnel costs were lesser problems. As for tape advantages, 56% of the stations listed programming & production aid as its most important value. And 86% predicted that "typical" TV stations soon would need 2 machines. As of now, most (67%) of the 63 stations responding to the questionnaires reported they had only one machine, 35% had 2, and 9 had one or more on order. In recording their opinions on tape, NAB TV vp Thad H. Brown reported at NAB's regional conference in Los Angeles, "managers were less concerned about initial cost than the others, but the cost-saving aspect [in production] was more important to top management than to staff executives."

Producers Draft Demands: Telefilm companies—already confronted with demands for more money & residuals from the talent guilds—will soon face a wholly new set of demands—from the producers of their shows.

Television Producers Guild, the first guild ever formed as a bargaining agent for producers, has drafted a set of demands it will present to membership for ratification, and then to production companies. Producers, seeing writers, directors and actors getting a piece of the TV residual pie, want a slice, too.

Highlights of the proposals are the residuals demand, proper screen credit, and, above all, a contract. It's expected the reception from the companies will be cool, because it's always been the view of such companies that producers are a part of management, and as such should not be negotiating with management.

But producers contend that it isn't fair for actors, writers, musicians and directors to receive residuals while they don't. Producers who own their own shows are of course in a different position, but in many situations (e.g., WB) producers don't receive any participation rights, work on a straight salary basis. TPG's president is Ben Brady, producer of *Have Gun—Will Travel*.

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Alliance of TV Film Producers, claiming to represent 70% of Hollywood's telefilm companies, has changed its organization to resemble that of the movie producers' associations, and hired CBS West Coast resident attorney Richard W. Jencks as its first salaried president. Jencks resigns his CBS post effective Dec. 1. Deane F. Johnson will be the reorganized Alliance's new vp and John Zinn will be secy.-treas. The move gives the Alliance a full-time negotiator—an important need as contract talks with the talent guilds loom up. Jencks will also be in charge of the group's government & public relations.

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SAG's Record Residuals: A record total of \$4,568,375 in TV residuals was distributed to members by the Screen Actors Guild for the 12-month period ended last Oct. 31, according to SAG treas. George Chandler. The figure more than doubled the \$2,711,134 of the previous fiscal year and brought the total of residuals since 1953 to \$12,070,128.

At the Guild's annual membership meeting last week, national exec. secy. John L. Dales said upcoming contract negotiations will seek higher minimums, higher residuals, a formula for residuals on post-1948 movies sold to TV and a health, welfare and pension plan. SAG will also seek the right to reopen its contracts to cover pay TV if that medium becomes operative. Also sought will be prohibition of production companies buying out residuals of actors in advance. Present regulations allow an actor who receives double minimum or more to sell his residuals in advance. SAG will also ask a 5% employer contribution on all salaries & participations paid to actors, to underwrite the health & welfare plan. Since SAG estimates actors' total salaries now are approximately \$65 million a year, the producers would be donating \$3,250,000.

Dales also disclosed that Warner Bros., involved in recent Guild violations, has paid over \$21,000 to date in meal penalties to WB actors, with more to come. Following SAG's complaint on behalf of its members who are stars at Warner Bros. (Vol. 15:43), Warners has ordered all asst. directors to comply strictly with Guild regulations.

SAG membership is now at an all-time high of 13,403. The Guild's gross income during the year was \$655,213 and expenses \$695,834, leaving an operating deficit of \$40,621.

NEW YORK ROUNDUP

Lester Gottlieb, CBS-TV dir. of program development & planning, last week became the sixth CBS programming executive to resign this year. Gottlieb will join General Artists Corp. Dec. 1, as a TV vp. Others who've left CBS-TV this season: Hubbell Robinson Jr., exec. vp, network programs; William Dozier, vp, network programs, Hollywood; Harry Ommerle, vp for network programs; William Self, exec. producer; Tom Ryan, gen. exec.

Film Producers Assn. of N.Y., which represents most of the commercial film producers in the East, will present a panel discussion, "The Sponsor Views the Film Producer," at a special luncheon meeting Dec. 9 in N.Y. at the Columbia U. Club in N.Y. Other FPA seminars this season will cover TV commercials, videotape, films for TV & education.

Ziv's *Cisco Kid* has been renewed for 52 weeks by Dan-Dee Pretzel & Potato Chip Co., for Ohio, Pa. and W. Va. markets. *Tombstone Territory*, off-network rerun series, has been sold in 96 markets.

CBS Films has sold *I Love Lucy*, *Terrytoons*, *Mighty Mouse & Heckle & Jeckle*, in Peru & Panama. Other recent foreign sales were to Italy (*Perry Mason*, *I Love Lucy*, *20th Century*); Australia (*I Love Lucy*, *Perry Mason*, *Lineup*, *Brave Eagle*, *Woman*); Mexico (*Assignment Foreign Legion*); Japan (*Rawhide*, *Brenner*); Philippines (*Gunsmoke*, *Small World*).

David Levy, NBC-TV vp, programs & talent, proved last week he can double in creative brass. His published short story, "A Nice Guy," is being adapted for the network's *Sunday Showcase* series for March 6, 1960.

CBS-TV confirmed last week that it plans to launch a "Columbia TV Workshop" to develop professional writing, directing and performing talent through a series of private seminars and a new Sunday network dramatic series. Michael Dann, vp, network programs, N.Y., will administer the project, and producer Albert McCleery will supervise. The seminars kick off Nov. 29, the workshop series Jan. 24.

Irving R. Levine will be special NBC-TV correspondent for *Today's* coverage of President Eisenhower's 10-country trip next month . . . Mildred Gusse, new Screen Gems associate casting dir., has been assigned to Herbert B. Leonard Productions for the next 2 months . . . Herbert W. Hobler promoted to sales mgr., Videotape Productions of N.Y. . . . William Andrews named sales mgr., syndication div. of ITC.

General Motors has signed Danny Kaye in a 3-year deal to star in one 60-min. special a year. Kaye, making his TV debut (except for a special UN program), will get approximately \$600,000 a show. An MCA client, he was originally offered Ford for its *Startime* series, but that sponsor felt the price was too high for its 39-special series.

Unique transatlantic rating feat was scored this month by *Wagon Train*, when the 60-min. Revue Productions anthology Western (NBC-TV) bagged the top average-audience levels in both the U.S. & Britain. In the U.S., *Wagon Train* registered a 37.4 average-audience rating in the 2nd Nielsen Oct. report, to reach 16,421,000 homes. In a combined Oct. summary of 7 TV areas measured Nielsen-fashion by TAM in Britain, it topped other AA figures to reach 5,987,000 homes. (Percentage index figures aren't used by TAM.)

HOLLYWOOD ROUNDUP

Ty (*Bronco*) Hardin is the latest Warner Bros. TV contract star to rebel against his contract. He seeks a raise and the right to retain money received for his personal appearances. Hardin wants his present \$400 a week hiked to \$600, but WB has refused his demands, and as of last week it did not appear that Hardin would walk out on his series, as did Edd (*77 Sunset Strip*) Byrnes. Negotiations between the latter's agents and WB have reached an impasse on the issue of public-appearances revenue. Warner agreed to a 50-50 split, but Byrnes seeks 75-25. WB also asks a 2-year extension on Byrnes' contract. Byrnes is now on layoff, although some studio sources confess they are mystified that he wasn't placed on suspension, as is normally the case when a player won't work. Still another WB contract player, Hardin's wife, Andra Martin, who works in movies and TV at about \$200 weekly, says she too will demand a better deal from the studio.

Writers Guild of America's contract with the major movie studios expired last week, but despite an employer statement that negotiations have collapsed, the Guild will allow its members to work without contracts. Although the WGA membership had authorized a strike, the Guild informed its members last week that "It is our considered judgment that the strategic benefits to be gained by this policy far outweigh any possible disadvantage involved in working for a limited time without a contract." WGA will continue to seek a negotiated settlement despite the impasse over the question of post-1948 movies sold to TV. The producers refuse to concede on this key point.

ESW Enterprises (owned by Barbara Stanwyck, Louis Edelman and William Wright) has completed 2 pilots: *Big Jake*, a detective series starring Andy Devine, and *Call Me Annie*, a situation comedy-drama starring Peggy Cass.

Desilu Productions is developing a new situation comedy series for Marie Wilson, tentatively called *The Marie Wilson Show*. Cy Howard is in charge of the project. Desilu produced an earlier Wilson pilot that didn't sell.

Spartan Productions is preparing a half-hour private eye series, *The Boston Terrier*, as a stablemate for its *Peter Gunn* . . . Newest 20th-Fox TV property is *Hong Kong Story*, which the studio will produce as a pilot for ABC . . . Meridian Productions is no longer producing *The Troubleshooters* for United Artists TV. Frank P. Rosenberg continues as producer, for UA-TV, not Meridian . . . Desilu Productions has named Allen Klein resident counsel . . . Tandem Productions has signed Marion Rees as associate producer.

Valiant Films has been formed to take over Hal Roach Distribution Corp. Valiant has invested \$250,000 in operating capital and has committed \$500,000 to the acquisition of new film product, primarily for theatrical release. Heading the operation as pres. is Fred Schwartz who also headed Distributors Corp. of America, which had assigned all distribution assets to HRD. Valiant will have no connection with Scranton Corp., bankrupt partner of HRD.

Vanoff & Sargent has been formed as a new packaging firm by producer Nick Vanoff and writer Herb Sargent to create & produce live musical specials for TV. Vanoff & Sargent wrote, produced & staged NBC-TV's Nov. 13 "Music from Shubert Alley." . . . Alvin E. Unger has been named vp in charge of syndication for ITC.

The FCC

FCC COOL TO ABA BILL: Legislative proposals by the American Bar Assn. to ban backdoor approaches to federal administrative agencies got a skeptical going-over from FCC last week.

Appearing as the lead-off witness for the agencies in the 2nd round of "influence" hearings by the Senate Judiciary administrative practice & procedure subcommittee (Vol. 15:44 p9), FCC Chmn. Doerfer said the ABA's bill (S-2374) had commendable purposes but faulty language.

Doerfer (who had first begged off testifying because of earlier commitments) assured the subcommittee that FCC "is in complete accord with the general objectives of the bill," which provides criminal penalties for ex-parte contacts with agencies in attempts to influence decisions.

"It believes firmly in the principle that adjudicatory proceedings, as defined in the Administrative Procedure Act, must be decided solely & exclusively on the basis of the issues, evidence, and contentions of record in the proceedings." Doerfer said, speaking for the Commission.

Then Doerfer ticked off FCC objections to the sweeping ABA legislation, which would apply to members of Congress who make telephone calls in behalf of constituents as well as to behind-the-scenes lobbyists for clients in cases. Arguing that the ABA measure, as written, would force FCC "to restrict the sources of information or data" in rule-making, he said:

"The Commission, therefore, does not feel that it is practical or in the public interest to decide the many legislative-type proceedings that come before it involving new policies or changes or amendments solely upon a paper record which depends for its quality only upon the individuals who see fit to comment.

"The Commission feels that the public interest requires that the individual Commissioners apply as intelligent & as expert a judgment as is possible to the merits of a proposed rule-making problem, and that an important element is the obtaining of all relevant information necessary to a considered legislative judgment.

"Therefore, in the ordinary rule-making proceeding, the Commission is of the firm view that its rules should not be confined to such 'record' as may be produced by the comments which may be filed."

Doerfer urged instead that Congress approve an FCC-drafted bill (S-1734) which would be "an effective deterrent to ex-parte communications in cases of adjudication under the Communications Act." Approved by the Senate Commerce Committee, the bill was left dangling on the Senate floor calendar in the adjournment rush at the last session of Congress (Vol. 15:33 p3, 34 p4).

In the one-man Judiciary subcommittee hearings conducted in the absence of Chmn. Carroll (D-Colo.) by Sen. Hart (D-Mich.), Doerfer also took a dim view of a companion ABA bill (S-600) establishing an Office of Federal Administrative Practice under the White House as a housekeeping watchdog over administrative agencies.

Similar objections to ABA's bills were echoed in the Senate hearings by spokesmen for other federal agencies, including FTC Chmn. Kintner. He said nobody should think that FTC takes a "position favoring ex-parte communications in adjudicative proceedings," but that S-2374 lacks "the preciseness required of statutes imposing criminal sanctions." As for S-600, Kintner said, "it would be most inappropriate to create a super independent agency with authority over agencies" in practices & procedures.

Secret Allocation Upheld: FCC's right to assign frequencies to the govt. for classified military use without public notice or hearings has been upheld in a 3-judge opinion by the U.S. Court of Appeals for D. C.

Citing "paramount" national defense needs—and refusing to explore secrecy-stamped documents in appeals in 2 FCC cases—Judges George Thomas Washington, John A. Danaher and Warren E. Burger sustained 1958 rule-making which reserved space in 420-450-mc & 8,500-9,000-mc bands for exclusive govt. use.

The govt. reservations of the non-broadcast frequencies had been protested by the Bendix Aviation Corp., which wanted the 430-mc frequency to develop an airborne aircraft anti-collision system, and by the Air Transport Assn. and Aeronautical Radio Inc., which wanted the 8,500-9,000-mc band for radionavigation use. They demanded reconsideration & hearings by FCC.

Noting that Commission papers in the case "bore a security classification" from the Office of Defense Mobilization (now the OCDM), the Court dismissed the appeals, saying it's satisfied "claim of privilege must be honored."

The 3 judges said it was enough for them to know that the govt. based its claims on representations that: (1) "Reallocation of frequency bands for govt. use is essential to fill radio-positioning requirements which have increased significantly in recent years due to the international political climate and the advent of the 'space age.'" (2) "Requirements in question cannot be accommodated in frequency bands presently allocated for govt. use." (3) "Redesignation of bands for exclusive use by govt. services must be made 'at this time.'"

International Telecommunications Union, now meeting in Geneva, has voted to expand its administrative council from 18 to 25 members to give "equitable representation" to Africa, Asia and Australasian areas where TV is developing. The ITU's plenipotentiary conference also decided that from now on it will elect chief ITU officers in a staff headed by Acting Secy.-Gen. Gerald C. Gross, ex-FCC asst. chief engineer. The officers have been picked by the council, which meets once a year. Meanwhile 3 representatives of the House Commerce Committee—Rep. Rogers (D-Tex.), clerk W. E. Williamson and staffer Andrew Stevenson—left Washington to join the U.S. delegation at the Geneva sessions, which are held every 5 years. They'll act as Congressional observers at the sessions, planning to return Nov. 30. Committee Chmn. Harris (D-Ark.) had been expected to make the trip, too, but he entered Bethesda (Md.) Naval Hospital for treatment of varicose veins instead last week.

FCC detectives working out of the Miami field engineering office, have silenced a clandestine radio transmitter, hidden near isolated Tavernier on the Fla. Keys. It had been used to transmit daily "Arise Cuba!" propaganda to Cuba against Fidel Castro's regime. The FCC engineers, cooperating with Justice Dept. agents, tracked down the illegal station after 2 weeks of monitoring surveillance. Sylvio Aguila-Entenjza and Carmen Tenichet y Fernandez were arrested for violating Communications Act requirements that radio stations & transmitter operators must be licensed.

Uncontested grant of Ch. 12, Farmington, N.M. has been awarded to Farmington Bcstg. Co. last week by FCC. The Commission finalized examiner Elizabeth C. Smith's decision of Sept. 28 which favored the grant after the competitors got together last March and agreed to merge.

FCC STUDIES CATV 'AD HOC': The FCC seems to like the suggestion by the National Community TV Assn., that the Commission sponsor an "ad hoc" committee to resolve differences among small-town TV services—stations, CATV, boosters & translators. The proposal was made by NCTA member Bill Daniels during Sen. Pastore's (D-R. I.) hearing in Denver recently (Vol. 15:44 p9).

NCTA representatives met with FCC Chmn. Doerfer Nov. 16 and he must have been impressed, because the upshot is that the Commission's Broadcast Bureau chief Harold Cowgill has called a meeting of leaders of the disputants to discuss the ad hoc idea at the Brown Palace hotel in Denver Nov. 23.

Doerfer was the sole FCC representative who met with members Nov. 16. The NCTA delegation: A J Malin, Laconia, N.H., NCTA pres.; George J. Barco, Meadville, Pa., Chmn., Legislative Advisory Committee; Glenn H. Flinn, Tyler, Tex.; Sandford Randolph, Clarksburg, W. Va.; Bill Daniels, Denver; Edward P. Whitney and E. Strafford Smith, NCTA exec. dir. and gen. counsel, respectively.

The NCTA group suggested to Doerfer that the ad hoc group might explore:

- "(1) Carrying of local stations by CATV systems.
- "(2) Duplication on CATV systems, boosters, translators and satellites of programs broadcast by local stations.
- "(3) Alleged degradation by CATV systems of local station signals. This properly should include degradation of any signals by CATV, boosters, translators and satellites.
- "(4) Liberalized uhf translator and booster rules, and licensing policies and standards for all auxiliary booster or translator services which might be authorized.
- "(5) Need or desirability of federal legislation affecting CATV.
- "(6) Available factual data with respect to actual impact of CATV, boosters and translators on local station operation."

The FCC last week again discussed, but didn't decide, how to proceed with its own CATV investigation. It plans to take subject up again, along with illegal boosters, at its Nov. 25 meeting. It still seems likely that an oral CATV proceeding will be ordered.

Protests to FCC against refusals by CBS's WCBS-TV & NBC's WRCA-TV N.Y. to sell it time for one-min. announcements promoting an NLRB bargaining election campaign have been filed by the Communications Workers of America. The AFL-CIO union said it tried to buy time for spots urging support of CWA's cause among 19,000 plant employes of the N.Y. Telephone Co., but was turned down. WCBS-TV argued that "public controversy" was involved and WRCA-TV explained that "too limited an audience" would be interested.

Protest by WHCT (Ch. 18) Hartford to sale of WNBC (Ch. 30) & WKNB New Britain-Hartford, Conn. to Connecticut TV Inc. for \$1,044,000 (Vol. 15:39 p9), was dismissed by FCC last week. WHCT sought a rehearing on grounds that the purchaser was trafficking in licenses (through resale of WKNB), that the option rights held in the buying concern by WWLP (Ch. 22) Springfield, Mass. constituted duopoly and that the buyers would own more than the number of stations permitted under FCC rules.

Auxiliary Services

Govt. completed its case in less than 2 weeks in the anti-trust trial in which Jerrold Electronics is accused of restricting competition in the sale of CATV equipment. Principal govt. witnesses were CATV operators, as Justice Dept. sought to prove its charge that Jerrold used its position as a leading equipment manufacturer and CATV operator to coerce other operators to use its equipment exclusively (Vol. 15:45 p24). Jerrold Pres. Milton J. Shapp took the stand as the defense arguments began Nov. 19. Jerrold expects to call 25 to 30 witnesses. After the govt. presented its case, Judge Francis L. Van Dusen, who is hearing the case without a jury in Philadelphia Federal Court, denied a Jerrold motion for dismissal. The trial is expected to continue at least 2 or 3 more weeks.

TV-equipped space vehicles, transmitting pictures of trips back to earth, are completely feasible, according to Navy scientist Dr. Dietrich E. Beischer. Head of the physical chemistry dept. of the U.S. Naval School of Aviation Medicine at Pensacola, he told a research & engineering conference in Boston that scientists hope to install TV in the next vehicle which takes an animal aloft. "The capsule would not have to be much larger than the one which took up monkeys Able & Baker some 300 miles last May," Dr. Beischer said. He predicted that the first U.S. astronaut's expedition would be televised to earth.

Translator starts: K70BR Durango, Colo. began Oct. 30 repeating KOAT-TV Albuquerque. K70BJ Navajo Compressor Station, Ariz. began tests Nov. 1 carrying KOB-TV Albuquerque programs; K74AV at same location is scheduled to begin with KOAT-TV Albuquerque on Jan. 1. K70BP, K74AX & K78AN Yreka & Weed, Cal. are scheduled to start Nov. 30 repeating KBES-TV Medford, Ore., KVIP-TV Redding, Cal. & KHSL-TV Chico, Cal.

TelePrompTer's ancillary rights (TV, radio, movies) to the proposed Patterson-Johansson heavyweight title rematch are "unaffected" by the revocation of the Rosensohn Enterprises promotion license by the N.Y. State Boxing Commission, TelePrompTer officials have told us. Rosensohn Enterprises can still stage the fight in another state and at present RE's Pres. Vincent J. Velella is negotiating for Miami's Orange Bowl for March 1960.

Time-zone differences were eliminated in a 33-city closed-circuit telecast to Owens-Corning Fiberglas distributors & building-industry customers Nov. 16. By means of video tape, the presentation was telecast at 4 p.m. in each zone, with a 5 p.m. show for delegates to the Building Products Exposition of the National Retail Lumber Dealers Assn. in Cleveland. The program was produced by Sales Communication Inc., with the closed-circuit & video-taping handled by Giantview TV Network.

Applications for 5 microwave stations to pick up TV signals of Salt Lake City & Pocatello, Ida. stations for CATV systems in Bozeman, Livingston and Dillon, Mont. have been designated for hearing. The FCC granted the protest of KXLF-TV (Ch. 4) Butte, Mont. and will hold a hearing, but it also authorized the permittee, Montana-Idaho Microwave Inc., to continue to construct & use facilities granted pending final determination of hearing.

Council on Medical TV, new unit of N.Y.'s Institute for Advancement of Medical Communications (Vol. 15:43 p20), will be helped in further organization by a govt. grant from the general medical sciences div. of the National Institutes of Health.

Advertising

Toothpaste Commercials Hit: Joining recent attacks by the American Dental Assn. and the Health, Education & Welfare Dept. on advertised claims for dentrifices (Vol. 15:46 p6), FTC last week filed formal charges against the Colgate-Palmolive Co. for "deceptive" TV commercials.

FTC complaints about toothpaste ads in other media have been issued by the agency, but it was the first time since FTC's now-expanded special TV-radio monitoring unit (Vol. 15:44-45) was set up in 1957 that TV ads in the dentifrice field have been singled out for attack.

Colgate-Palmolive was accused of misrepresenting the efficacy of Colgate Dental Cream "with Gardol" which is portrayed on TV screens as "a protective shield" against tooth decay & cavities. The FTC complaint said the Colgate product "does not completely protect" users from such tooth trouble, that the "protective shield" commercials—along with similar representations in newspaper & magazine ads—"unfairly diverted trade from competitors [and] substantially injured competition." The company was given 30 days by FTC to reply to the charges.

* * *

FTC restraint-of-trade charges against big TV advertiser Procter & Gamble for alleged illegal promotion ties with washing & dishwashing machine manufacturers (Vol. 15:31 p14) have been denied by the company and its subsidiary Procter & Gamble Distributing Co. P&G said in its formal answer to the FTC complaint that contracts with the manufacturers for use of Tide & Dash detergents "are & were lawful & proper in every respect." It asked that the charges be dismissed.

* * *

Arthritis cure claims in TV-radio-newspaper advertising for *Arthritis & Common Sense*, written by Dan Dale Alexander and published by his Witkower Press Inc., Hartford, are false, according to an initial FTC decision by examiner James A. Purcell. He cited "deceptive" TV commercials for the book, said radio interviews with Alexander contain "a hodgepodge of scientific folderol & medical mumbo jumbo," and listed "dozens of misrepresentations" in newspaper promotion.

■

Ad People: Timothy Stone and Norman Grulich named Benton & Bowles vp's . . . William L. Diener resigns as Leo Burnett vp & dir. . . Russ Ford named Doherty, Clifford, Steers & Shenfield TV-radio commercial production dir. . . James Rankin, ex-J. M. Mathes, named TV creative supervisor, Norman, Craig & Kummel . . . Frederick P. Harvey named Donahue & Coe vp for industrial & corporate div. . . Robert R. Burton, Kenyon & Eckhardt senior vp, elected a dir.; Victor Armstrong promoted from vp to senior vp . . . John H. Wilson Jr. named Grant Adv. vp.

Growing cooperation between supermarkets & local TV, means that TV advertisers are "gaining twice-over," reports Nov. 13 *Printers' Ink*. In exchange for free spot announcements, supermarkets are permitting TV stations to erect in-store displays. The stations in turn use the gratis point-of-sale displays as a bonus for sponsors—and the advertiser gets another bonus when the supermarkets use their free TV spot announcements.

Obituary

John J. Flanagan, McCann-Erickson vp & associate media dir., died Nov. 12 in N.Y. after a brief illness. Surviving are his wife, a son and 3 daughters.

MAB's Anti-TV Sunday Punch: The much-discussed (Vol. 15:41, pp3 & 13) new presentation of the Magazine Advertising Bureau was unveiled publicly in N.Y. Nov. 19 to agency & magazine executives. The presentation contained no surprises to admen familiar with MAB's media tack this season of downgrading TV's sizable audiences on the basis of the "profitable difference" with magazine readers.

Stressed by MAB officials throughout the 60-min. slide presentation made at the Waldorf-Astoria was a theme of snob appeal. The key point made was that magazine readership rose and TV viewing fell off—according to research done in a 5,000-home panel April 19-May 30 by Market Research Corp. of America—as family income & education levels rose. There is, said MAB, a "direct relation between degree of [product] buying & degree of exposure to magazines—the reverse with TV households."

As an example, MAB pointed to magazines-vs.-TV in terms of the percentage of households owning automatic washers. In the "heavy viewing homes (20 hrs. weekly), washer ownership was 41.6%. In "heavy" magazine-reading households (the upper 25% of households in terms of magazine-ad exposure, numbering 11.8 million), washer ownership was 54.8%.

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In Other Media: Objectionable advertising in the movie & publishing industries will come under Congressional scrutiny next year, reports *Editor & Publisher*, which quotes Representative Kathryn E. Granahan (D-Pa.) as saying that the House Post Office subcommittee she heads will seek the views of those industries on self-policing programs . . . Now that TV has tripped over its veracity, it behooves newspapers & magazines too "to squeeze out the water of deception," nudges a letter-writer to the newspaper trade publication. He pelts such newspaper rigs as: "phonied up camera views" which are presented as "news pictures" and How-I-Won-The-Title-And-Found-God articles by fistic figures barely capable of signing their own names . . . Magazine lineage increased 18.4% in Nov. over Nov. 1958, reports *Printers' Ink*, and pushed the cumulative gain 8.3% ahead of the Jan.-Nov. 1958 performance.

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Rise in talent costs of specials is forcing Du Pont, which had scheduled a total of 9 CBS-TV 90-min. specials in the 1959-60 season, to cut back to 8. Even with this 11% cutback in number, the shows will cost Du Pont "more than the 9 produced last year," said Du Pont TV mgr. Charles E. Crowley in N.Y. last week. Below-the-line costs of producing taped shows—in which directors lean more toward the perfectionism of movie retakes than the go-for-broke plunge in true live TV—have also risen.

Radio came to TV's defense when RAB Pres. Kevin B. Sweeney told the San Francisco Ad Club: "The criticism of TV has now reached absurd proportions. To pillory an entire industry because of what a handful of swindlers & crooks were able to do is unfair." He also pointed out, however, that "radio has no part of this quiz scandal nor of any other scandal . . . Radio runs a tidy household and we are not to blame for the dust under TV's carpet."

Stations must put less emphasis on ratings and more on the quality & performance of the station, Lawrence Webb, managing dir., Station Reps Assn., told the Ore.-Wash. State Broadcasters Nov. 19. "As more stations go on the air, the process of selecting local media by national advertisers is going to be more thoughtful than ever before," he said. Thus the station must "acquaint its rep with its available audience, not just its availabilities."

Television Digest

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Personals: Morris Wattenberg, ex-WABC-TV ad & promotion mgr., named ABC Radio sales development & research dir. . . . Robert J. Rich promoted from asst. gen. mgr. to gen. mgr., WDSM-TV & WDSM, Duluth, Minn. . . . Bob King named gen. mgr., KSWO-TV Lawton, Okla. . . . Richard W. Holloway, ex-WDEF-TV Chattanooga, named sales mgr., WFMY-TV Greensboro, N.C.

Bennet H. Korn named TV exec. vp, Metropolitan Bcstg. Corp. . . . Robert W. Sevey promoted from sales mgr., KGMB-TV Honolulu, and satellites KMAU-TV Maui, and KHBC-TV Hilo, to station mgr. . . . Mort Rubenstein named creative dir., Jacques Sammes, copy chief, CBS-TV ad & sales promotion dept.

Sam Lomberg appointed European sales mgr., NTA, headquartering in London . . . William Andrews named sales mgr., ITC syndicated divisions . . . Burt Kleiner promoted from vp to pres., Cantor, Fitzgerald & Co. investment bankers, succeeding B. Gerald Cantor, resigned to become National Theatres & Television pres. (Vol. 15:46 p17) . . . Louis & Phyllis Hepp, husband & wife news team, will head NBC News' newly-opened Athens, Greece, bureau.

George L. Coleman, part-owner of KCOP Los Angeles and radio KFOX Long Beach, Cal., was married Nov. 12 in Miami, Okla. to the former Mrs. Louis G. Soles . . . George Barren-Bregge, vp-gen. mgr., WPTZ Plattsburgh, N.Y., named to new post of TV operations vp, Rollins Bcstg.-Telecstg. Inc., Pensacola.

Harold Essex, vp-gen. mgr., WSJS-TV & WSJS Winston-Salem, is back at his desk after being detained at Baptist Hospital, Winston-Salem, for injuries received in an automobile accident Nov. 4. Mrs. Essex, who was also in the accident, is recovering at home.

National TV Week, promoted coincidentally last week by NAB at a time of big trouble for the industry, brought public congratulatory messages from such sometimes-critical organizations as the National Congress of Parents & Teachers. "We wish to thank you for the immense amount of public service messages on TV," the PTA organization told NAB's TV vp Thad Brown Jr. Similar sentiments were expressed by the Supreme Lodge of Loyal Order of Moose, Boys' Clubs of America, other civic, fraternal and public service organizations.

Dr. Frank Stanton, CBS Inc. pres., will receive *Printers' Ink's* advertising gold medal award for 1959 Feb. 18, at the Waldorf-Astoria, N.Y.

"Golden Mike" Awards were presented last week by Radio and Television News Club of Southern Cal., to the following TV people & stations: Jack Latham, KRCA, for best TV newscasting; Lee Nichols, KRCA, best TV news writing; Dexter Alley, KRCA, best TV news film coverage; Gil Stratton, KOXT, best TV sports reporting; KTLA, best TV news reporting by an independent station; KRCA, best TV special news programming (Chavez Ravine report); KNXT, special award for documentary, "Thou Shalt Not Kill"; Baxter Ward, KCOP, best TV commentary; KTLA, most aggressive news policy by a TV station.

There's too much drinking on both sides of the Atlantic, according to secy. George Tomlinson of Britain's Public Morality Council. In the course of an emergency meeting called to see what can be done to stem a strip-tease craze in London, Tomlinson complained that TV also endangered morals: "Every time a script writer runs out of ideas he has one of his characters say 'Let's have a drink.' And is this drink milk or fruit juice or something vigorous & healthy? No. Invariably it is poured from a scotch, a bourbon, a gin or a vodka bottle."

Witnesses before a state legislative investigative committee may refuse to testify if TV cameras are covering the event, it's been ruled by Los Angeles Municipal Judge Byron Walters. He dismissed contempt actions against 8 defendants who had refused to testify before the State Assembly Committee on rackets last Nov. when TV was covering the hearings. Judge Walters condemned such coverage on the grounds that it makes witnesses self-conscious and prevents their thinking clearly.

Nonsensical stage at which the let's-everybody-settle-TV's-future discussion has arrived, is unconsciously pointed up by a letter to the *N.Y. Times* from J. H. Randall Jr., Woodbridge Prof. of Philosophy, Columbia U. Said he: the simplest way to prevent future TV scandals is to adopt the British policy of etc., etc. After a paragraph of this the professor wrote: "I might add I have never seen an American TV show in this country."

Meetings next week: Academy of TV Arts & Sciences forum on music for TV (Nov. 30), NBC, N.Y. . . . RTES timebuying-selling seminar (Dec. 1), George Huntington, TvB vp-gen. mgr., and Horace S. Schwerin, Schwerin Research Corp. pres. Subject: "Sponsor Identification—What's It Worth?", Hotel Lexington, N.Y. . . . EIA winter conference (2-4), Statler-Hilton, Los Angeles . . . NAB convention committee (4), NAB HQ, Washington.

Anti-pay-TV-cheating device, preventing customers from bypassing meters attached to sets, has been patented (No. 2,912,600) by Hans D. Isenberg, Wilmette, Ill. As described for the U.S. Patent Office, the device insulates conductors so tightly with a network of spiraled wiring that nobody can tamper with lead-in cables & meters without causing short-circuits which cut off pay-TV programs.

Alfred I. duPont Awards Foundation is now accepting nominations for the 17th annual TV & radio awards, reports curator O. W. Riegel, dir. of the Lee Memorial Journalism Foundation at Washington & Lee U., Lexington, Va. Deadline for the nominations is Dec. 31. Winners will be announced in March.

Cal. has no law against payola and no investigation of the practice is planned in Los Angeles, district atty. William McKesson of L.A. said last week. The only such prohibition is against gifts to public officials or employes and sports officials such as referees in boxing matches.

Trade Report

NOVEMBER 23, 1959

RETURN OF FM—BOOMLET BECOMING BOOM: If FM was dead in 1954 when its funeral orations were intoned, it's a pretty lively zombie today. And all set makers agree that, thanks to the hi-fi trans-fusion, it will continue to grow in 1960. When FCC establishes stereo-multiplexing FM broadcast standards, it may well touch off a buying wave to dwarf FM radio's peak sales year of 1948.

Figures on FM radio sales are diffuse, sketchy & unreliable—since the business is a complex mixture of table radios, phono combinations, audiophile tuners and imports. But from various industry sources, we have distilled estimates which indicate that nearly 1.5 million FM receiving devices will be sold this year.

Our educated guesstimate of FM sales this year: Hi-fi phono units with FM, close to 590,000; FM-AM & FM-only table model radios, 565,000; consumer purchases of FM tuners of all kinds (for use with component hi-fi, phonos, TV, etc.), 150,000; imports of FM receivers in all categories, somewhat less than 100,000. FM's best year, 1948, saw sales of more than 1.5 million FM radios plus uncounted tuners & combinations.

Only available reliable industry statistics on FM set sales are those kept by EIA, reflecting sales of domestically made FM radios & FM-phono combinations. During first 9 months of this year, they indicate that 367,804 FM and FM-AM radios and some 370,000 hi-fi phono units with FM were sold at retail, for total of 737,804 in both categories. The comparable figures for the same 1958 period are 176,060 & 225,000, totaling 401,060. Thus 1959 sales of domestically produced sets are nearly double those of last year.

This year has seen first decline in imports of FM & phono-FM combinations—along with all foreign-made hi-fi. Last year, imports (mainly from Germany) of FM sets—mostly in hi-fi units—totaled about 150,000. This year, it's estimated they will have dropped to less than 100,000. Reason for this decline is obvious—plenty of high-quality widely-advertised U.S.-made hi-fi & FM units now available.

Japanese have just begun to dip their feet into FM export trade, making virtually no impact. Reason: high prices. Japan has no FM broadcasting, so there's no way to amortize FM set engineering, tooling & production costs through output for domestic trade. Situation may change, and some industry figures expect Japan to offer competition in the FM set market (particularly transistor models) in year or so, since commercial licensing of FM stations in Japan is due to begin next year. If there's boom in FM sets in Japan, you can bet tiny transistor FM units will begin to spill over to U.S.



It's unnecessary even to say that FM spurt is due mainly to hi-fi popularity, increasing public interest in "good" music and growing awareness of good reception provided by FM. Another important factor in FM's growth—rarely mentioned in broadcasting circles, but widely accepted in manufacturing-distribution trade—has been AM radio. There's no question that caliber of most AM programming—and we're not talking about the static—is driving a portion of the public to FM.

Phenomenal success of cheap non-hi-fi FM sets is one proof of latter statement. For more, ask any radio dealer. Although every major radio maker now is back in FM or FM-AM set business, the "cheap FM" market still is in hands of couple of relatively small firms.

Only major radio maker which never stopped making FM sets—Zenith—also says it never lost money on FM production. "The profit, however, was nothing like the one we expect to realize out of FM this year," says Zenith Pres. Joseph S. Wright. "Our sales this year will be double those of 1958 and a good part of our volume will be in expensive console models." Zenith has just restored to its line an FM-only set—with an AM "twin" available for FM-AM stereocasts.

Zenith's philosophy with regard to cheap FM sets is summed up concisely by consumer products exec. vp Leonard Truesdell: "We're not interested in that kind of merchandise."

No. 1 & No. 2 in FM radio manufacturing field (in disputed order) are Zenith and upstart Granco Products Inc. Granco's specialty is inexpensive sets—its reputation was made on \$29.95 FM-only set, marketed at a time when no other set maker was producing FM-only units (Vol. 15:21 p18).

Little Granco expects to make more than 250,000 FM sets this year, according to Pres. Henry Fogel. His company's philosophy: Produce FM radios for the average man—not the hi-fi buff. Although Granco does make expensive models and stereo-FM combinations, its bread-&-butter is the plastic table model based on the coaxial tuner originally developed by Granco for uhf TV converters.

Next big mass FM market for Granco, according to Fogel, lies in its new \$19.95 FM tuner. "We're doing very well, can't keep up with orders," Fogel tells us, predicting his company will sell 100,000 next year. Potential market: Everybody who owns a TV, phono or AM radio with a "tuner jack" or "phono jack." Fogel classifies the new tuner as an "impulse purchase," which a phono-record buyer might pick up at the record store, for example, without premeditation.

FM auto radios? They're on their way, says Fogel. His company will market them next March or April—hybrid transistor-tube sets in FM-only, AM-FM and FM-tuner versions. Thus Granco walks in where other manufacturers fear to tread—or have trod and burned their feet. Other manufacturers such as Bendix (which made FM set for Lincoln autos last year) have left the field. Several small domestic producers make car FM converters or tuners, and expensive German FM car sets are available. Granco's trump card: Its car radio will be inexpensive.

In addition to making FM sets, Granco supplies its coaxial-tuning FM front end to 3 or 4 other manufacturers. Other makers of prefabricated FM front ends selling to set makers on U.S. market include General Instrument, Standard Coil, Sarkes Tarzian, Gorler of Germany.

One barrier to FM radio sales still remains: FM is not nationwide medium. But casting hopeful eye at increasing applications for FM stations, FM-active manufacturers hope that soon every major U.S. area will have enough choice of FM stations to open large new areas of potential sales.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 13 (45th week of 1959):

	Nov. 6-13	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	149,295	140,966	112,202	5,484,904	4,286,694
Total radio	342,497	373,683	364,943	13,436,062	9,623,802
auto radio	63,166	91,362	113,309	4,837,796	2,918,106

RCA's automobile phono (Vol. 15:34 p16) is now being sold as an accessory for 1960 Plymouths & DeSotos at \$51.75. It plugs into a special jack in the auto radio (\$59.50 or \$84.30), using radio speaker & amplifier. The changer is designed to play 14 standard 45-rpm records automatically, providing up to 2 hours of continuous entertainment. Designed by RCA for the Chrysler Corp., it is mounted under the instrument panel with 3 coil springs enclosed within rubber "balloon" shock absorbers. The pickup arm is located below the record, and the changer unloads the records as they are played and stacks them inside the case which also serves as a record-storage compartment. Records may be rejected or repeated by pressing a button; the machine may be loaded with one hand. The new changer differs from the 16 $\frac{2}{3}$ -rpm Columbia-developed "highway hi fi" sold with 1956 Chrysler cars (Vol. 11:38-39) in that it uses standard records.

Du Mont Labs plans to establish a plant in Italy to produce industrial & military cathode-ray tubes and other electronic equipment, Chmn. Dr. Allen B. Du Mont made known recently. Plant site is to be announced by year's end.

Emerson introduces 3 new TVs in time for Christmas market: 17-in. portable with 3-stage IF, telescoping dipole antenna, \$156; 17-in. table model with 3-stage IF, front controls, \$128; lowboy stereo phono-radio with 110-degree 21-in. TV, in 3 wood veneers, \$398.

GE has received a \$101-million Air Force contract to continue development of missile nose cones.

"Failure to act on Japanese imports will have the effect of committing the American people to eventual establishment of vital defense industries 4,500 miles across the Pacific Ocean." So said EIA Pres. David R. Hull Nov. 17, addressing the general conference of the Joint Electron Devices Engineering Council in Philadelphia. Urging industry members to acquaint Congress with electronics' major problems through "person-to-person communication," he pointed out that one Japanese transistor is imported for every 3.6 units made here, and that Japanese transistor radios now account for 25% of domestic radio output. "We regard transistor imports as merely the beginning of a general deployment of the Japanese electronics industry on the territory and into the defense potential of the U.S.," he said. Other important industry problems which he said should be called to the attention of legislators: the EIA's program for repeal of the Walsh-Healey Act; endorsement of the bill by Rep. Harris (D-Ark.) to create a federal spectrum authority.

Factory prices of Japanese radios will go down—on paper, at least—when the Japanese govt. eliminates the "check-price" system on radio exports Jan. 1. The check price originally designed to insure an influx of dollars, is a govt.-established minimum price. There were so many loopholes in the system, however, that hardly any U.S. importers had observed the minimum prices, circumventing them with various subterfuges. The end of the system will cut down on the paperwork currently involved in circumventing the price floors, and will result, in effect, in the lowering of duties on Japanese radio imports.

BBB RAPS SOCKET ANTENNAS: Advertising claims made for the latest TV accessory fad—indoor antennas which plug into electrical outlets—were given a resounding thwack last week by the National Better Business Bureau. The socket antennas, now being merchandised by more than a dozen firms, are believed to have sold already in the hundreds of thousands. They're merchandised largely through dept. stores and by mail-order coupon ads.

In a service bulletin to BBB ad-media members, the BBB takes note of some of the wilder claims ("Turn your house wiring into a giant TV antenna"). Based on reports of "authorities," BBB found that "house wiring is not an effective TV antenna," citing these findings:

(1) It's generally grounded & shielded. (2) It isn't directional. (3) Signal pickup, if any, is largely limited to the 5- or 6-ft. line cord and to the twin-lead line. (4) Plugging socket antennas into the electrical outlet may actually result in poorer picture than using the same antenna unplugged. (5) The effectiveness of an antenna improves as the length is increased only up to about one-half wavelength. (6) "Some hazard may be involved."

BBB's recommendations on advertisement acceptance:

"That performance claims in advertising [be] limited to their actual capabilities in the areas in which such advertising will appear, and that media require competent proof of the claims made, [and] that the advertising of such devices should not state or imply, unqualifiedly, that they employ the house wiring system as an effective antenna, or that they use radar principles."

How can media check on the claims made for such antennas? BBB gives this simple formula: "Enlightenment on the accuracy of performance claims can be readily obtained on such devices by trying them."

Note: One technical publication—*Radio Electronics*—did try one and reported to its readers in its Dec. issue that the device was "noticeably less efficient than a few feet of wire thrown on the floor." Its article on the socket antenna is titled "Five Feet of Wire—Only \$4.95!"

* * *

Jerrold Electronics Corp., which manufactures an indoor TV antenna called the "TV Receptor," stated that its product wasn't covered by the BBB report. Asked to comment, a company spokesman said he was in "thorough agreement" with the sections of the report dealing with advertising claims and the possible shock hazards of plug-in antennas. Jerrold's Receptor has a slot in which the TV set's insulated line-cord is placed, doesn't plug in outlet.

Sonora rides again: The "Sonora" label, one of the first in TV, will be seen again on TV sets—made, this time, by Trav-Ler Radio Corp., which has purchased the name for a new TV-radio-phono-recorder line. The seller was Automotive Mfg. Co., Chicago firm which this year bought the assets of bankrupt Sonora Electronics Inc. (Vol. 15:14 p17). The old Sonora Radio Co. was purchased in 1957 at an Internal Revenue-conducted auction by Thomas F. Kelly & Associates, who sold it in 1958 to Earl Muntz & Frank Atlas. National distribution of the new Sonora line will be handled for Trav-Ler by Park Radio Service Inc., N.Y.

Aviation electronic needs in the Army's long-range plans will be described for representatives of 100 aircraft & electronic firms at a classified Defense Dept. conference Dec. 1 at Ft. Monroe, Va. The firms will be given 10 weeks to work out design concepts (on a no-pay basis) for such Army requirements as surveillance aircraft heavily instrumented with electronic detection devices.

Major IRE awards, to be presented at the group's convention in N.Y. next March: (1) Founders Award, to consulting engineer Haraden Pratt, former telecommunications advisor to the President, "for outstanding contributions to the radio engineering profession and to the IRE through wise & courageous leadership in the planning & administration of technical developments which have greatly increased the impact of electronics on the public welfare." (2) Medal of Honor, to consulting engineer Harry Nyquist, former Bell Labs scientist, "for fundamental contributions to a quantitative understanding of thermal noise, data transmission and negative feedback." (3) Morris Liebmann Memorial Prize, to J. A. Rajchman, RCA Labs, "for contributions to the development of magnetic devices for information processing." (4) Browder J. Thompson Memorial Prize, to J. W. Gewartowski, Bell Labs. (5) Harry Diamond Memorial Award to K. A. Norton, National Bureau of Standards, "for contributions to the understanding of radio-wave propagation." (6) W. R. G. Baker Award, to E. J. Nalos, GE.

Ronald L. McFarlen, consultant to Raytheon and Datamatic, has been elected 1960 pres. of IRE, succeeding Pres. Ernst Weber of Polytechnic Institute of Brooklyn. Elected to the new post of vp representing overseas countries was J. A. Ratcliffe, head of radio research at the Cavendish Laboratory, Cambridge, England. North American vp will be J. N. Dyer, vp of the research & engineering div. of Airborne Instruments Lab, succeeding Donald B. Sinclair, General Radio Co. Directors for 1960-1962 will be W. G. Shepherd, U. of Minnesota, and George Sinclair, U. of Toronto. Regional directors for 1960-61 are J. B. Russell, GE; B. J. Dasher, Ga. Institute of Technology; R. E. Moe, GE; C. W. Carnahan, Varian Associates.

Among 76 engineers named Fellows of the IRE by the Institute's board last week were these scientists honored for their contributions in TV-radio & related fields: A. N. Curtiss, RCA West Coast missile & surface radar div., for contributions to radio & radar technology; C. E. Dean, Hazeltine, radio & TV receivers; Stephen Doba Jr., Bell Labs, TV signal transmission; P. W. Howells, GE, color TV; L. H. Montgomery, radio WSM Nashville, medical electronics; F. R. Norton, Ramo Wooldridge Denver Labs, radar & TV; D. S. Rau, RCA Communications, international radio communications system; W. T. Selsted, Ampex, magnetic recording.

Canada's TV slump continued through Sept., when 48,670 sets were sold to dealers by distributors, as compared with 54,411 in Sept. 1958. For 1959's first 9 months, 271,222 sets were sold vs. 279,718 in the same 1958 months. The 9-month breakdown (corresponding 1958 figures in parentheses): portables, 46,837 (43,950); table models, 69,630 (88,031); consoles, 145,926 (139,468); TV-radio-phono combinations, 8,829 (8,269). For Sept. 1959 (vs. Sept. 1958) the breakdown was: portables, 6,115 (7,356); tables, 11,247 (15,670); consoles, 29,754 (30,445); combinations, 1,554 (940).

An estate of more than \$10 million was left by Motorola Chmn. Paul V. Galvin, who died Nov. 5 (Vol. 15:45 p17). Under the terms of a petition filed last week in Cook County (Ill.) Probate Court, the bulk of his estate will be divided equally between his widow, Mrs. Virginia C. Galvin, and a trust fund to be established for "charitable, scientific, religious, literary & educational purposes." Other bequests, to relatives and others, involve 10,000 shares of Motorola common stock (valued at more than \$1.5 million) and cash.

Trade Personals: Robert W. Galvin, Motorola pres., also named chief executive officer, the post held by his father, the late Chmn. Paul V. Galvin. The post of chmn. will remain vacant at least until the next scheduled board meeting in Dec. . . . Norman A. Langenfield appointed GE radio receiver sales mgr., succeeding Cecil S. Semple; Charles J. Fabso named phonograph sales mgr.—both appointments effective Dec. 1; William A. Monahan named national account sales mgr., GE radio receiver dept., effective Jan 1. . . . William F. E. Long, mgr. of EIA's marketing data dept., Dec. 7 joins Philco's Lansdale div. (tubes & semi-conductors) in a long-range planning capacity. His successor at EIA hasn't been announced.

James D. McLean resigned last week as pres. of Hoffman Labs div. & vp of parent Hoffman Electronics. The onetime Philco vp hasn't revealed his plans. Hoffman Labs div. treas. Jack Kuhner takes over as head of div., with title of gen. mgr. . . . Thomas S. Knight Jr., ex-district sales mgr. for Fla. & Ga., named GE sales mgr. for receiving tubes, picture tubes & hi-fi components, headquartered in Owensboro, Ky.

K. B. (Ken) Price, ex-Sprague Products, named sales mgr., Merit Coil & Transformer Corp. . . . Neil M. Blair, ex-vp & asst. to the pres. of ITT subsidiary Intellex Systems (Vol. 15:31 p19), named gen. mgr., Amphenol-Borg industrial products—Danbury Knudsen div. . . . Philip C. Leffel Jr., former mgr. of Corning Glass receiver bulb sales dept., heads new Corning manufacturing dept. producing ceramic parts primarily for the electronics industry.

Joseph S. DeMaio named ad & sales promotion mgr., Corning Glass electrical products div. . . . William N. Latsch named Heath Co. ad production mgr. . . . Warren B Hayes transferred from post of operations vp, Thompson Ramo Wooldridge subsidiary Pacific Semiconductors, to asst. for new enterprises to Thompson Ramo Wooldridge pres. Dr. Dean E. Wooldridge. Richard A. Campbell succeeds Hayes at Pacific Semiconductors.

Walter J. Krueel named executive vp of Hallamore Electronics div. (closed-circuit TV) of Siegler Corp., succeeding John J. Burke . . . Harvey G. Lowhurst, ex-Link Aviation, named Ampex Corp. patent counsel . . . Juan Weidemann, ex-pres. of Overseas Industries Inc., appointed dir. of exports, special products div., Conley Electronics Corp. (MoodMaster taped music systems).

Reuben O. Schlegelmilch appointed technical dir. of Westinghouse's defense products group . . . Harold S. Thorpe appointed gen. mgr., Avnet Electronics . . . Iden F. Richardson named mgr., Hughes Products Group div. of Hughes Aircraft, succeeding Raymond B. Parkhurst, who resumes former post of manufacturing vp . . . Herbert C. Craig, ex-Westinghouse, named oil-paper capacitors mktg. mgr., Cornell-Dubilier . . . Earl E. Sargent appointed mgr., Sylvania computer products Muncy plant.

RCA has established a \$28,000 David Sarnoff Scholarship Fund for Japanese science & electronics graduate & undergraduate students for the 1960-61 school year, research & development vp Douglas H. Ewing made known in Tokyo last week. The scholarships will be administered by the U.S. Educational Mission to Japan and the Japanese Ministry of Education. Half of the fund will be used to provide Japanese students with fellowships for U.S. study.

Obituary

R. Kenneth Braunsdorff, 63, Tung-Sol Electric Co. chief engineer from 1925 to 1958, died of a heart attack Nov. 16 in East Orange, N.J. He is survived by wife and daughter.

OCDM deadline for comments on the agency's investigation of EIA protests against imports of transistorized Japanese products (Vol. 15:46 p21) was extended last week from Nov. 17 to Dec. 15. "The extension, which applies for all parties concerned, was requested by foreign & domestic organizations with an interest in the investigation," OCDM said. Rebuttals are due by Jan. 15, all further data & comments by Jan. 31. OCDM rules require parties furnish 25 copies of all statements, to be open to public inspection unless "confidential treatment is requested."

State winners of Westinghouse-supported 1959 Electric Program competition of the National 4-H Club were announced last week. Seven girls & 40 boys were named for outstanding electrical projects for improving their homes & farms. Six will be selected later as national winners and will be awarded \$400 college scholarships by the Westinghouse Educational Foundation. In the past 24 years, the Foundation has awarded 135 scholarships. More than 133,000 boys & girls entered the 1959 competition.

Use of tiny Nuvistor triode tubes as RF amplifiers in vhf TV tuners provides 2 db more gain and nearly 1 db lower noise factor in a neutralized grounded-cathode circuit. So said RCA tube engineer Louis S. Baar at IRE's annual Radio Fall Meeting in Syracuse. "Two Nuvistors in cascode operation provide an increased gain over the grounded cathode circuit in the order of 4 db," he said.

Tunnel diodes will be made available to industry by RCA in sample quantities for experimental purposes beginning Nov. 23. The initial types include 12 designed for operation up to 1000 mc with power consumption ranging from .75 mw to 3 mw, nominal peak currents (tunnel currents) from 1.8 ma to 6.8 ma.

More radios were sold in Sept. in Southern Cal. than in any other month since the Electric League of Los Angeles began recording figures in Jan. 1955. A total of 53,681 radios were distributed in the 7 counties covered by the survey, reports Southern Cal. Ecstrs. Assn., 23% greater than Sept. 1958 sales. Baseball fever and transistor sets are credited for the upsurge. Area radio sales for the first 9 months of this year were 30% greater than '58's period.

Standard for TV luminance signals, as developed by IRE for measurement of the luminance component of color TV, has been approved by the American Standards Assn. (ASA). *American Standard Measurement of Television Luminance Signal Levels* (C16.31-1959) is available for 60¢ a copy. ASA, Dept. PR 108, 70 E. 45 St. N.Y. 7.

Panamanian TV import duties have been slashed by a new govt. decree. The tariffs now run from 5% for sets priced up to \$150 to 15% for sets priced \$250 or more. The old rates ranged from 20% for up-to-\$125 sets to 30% for TV-radio-phono combos.

Westinghouse's 23-in. sets (Vol. 15:44 p17)—2 Danish modern lowboys at \$330 & \$390, using laminated safety-glass tube—went into production last week and are due on the market early next month.

Raytheon has dropped prices on 23 types of transistors. The reductions range from 5%, for germanium transistors used in audio & radio receiver applications, to 35%, for switching transistors used in computers & control gear.

Theater-screen advertising is being used by Philco to promote its Safari battery-operated portable TV, according to Theatre-Screen Advertising Bureau which reports the TV manufacturer is using 7 full-color commercials.

Finance

Westinghouse expects its 4th-quarter net to "maintain the same gain" over 1958's final quarter established by Jan.-Sept. over Jan.-Sept. 1958 (Vol. 15:44 p21), Pres. Mark W. Cresap Jr. said last week. He anticipates a company-wide pre-tax profit-margin increase of 1.5 percentage points for 1959 over 1958, and thinks the current year "will show a modest increase in total billings." Consumer products vp Chris J. Witting noted that Westinghouse's 1959 consumer-products sales volume is "no great increase" over the pre-recession year of 1957, but has produced "a tremendous increase in profits" due to cost reductions. He forecast a 5% gain for the consumer-goods volume in 1960, barring a resumption of the steel strike in Jan.

Telechrome Mfg. Corp., Amityville, N.Y. maker of b&w & color TV broadcasting & test equipment, has submitted SEC registration (File 2-15843) for a public offering of \$750,000 of 6% convertible subordinated debentures due 1969. Underwritten by Amos Treat & Co. Inc. and Truman, Wasserman & Co. Inc., the debentures would be convertible into Telechrome's 10¢ par Class A stock, terms to be supplied in an amended SEC statement. The underwriters have agreed to purchase warrants for 10,000 Class A shares, exercisable for 5 years from the issue date.

Webcor Inc. reports a slight reduction in earnings despite a sales increase approximating 8% in the first fiscal quarter ended Sept. 30. The Chicago concern also reports that its 1959 fiscal year ended June 30 produced earnings of \$11,741 (2¢ a share) on \$33,498,227 sales. Comparative 1958 figures are not available because of a change in Webcor's fiscal year. Chmn-Pres. Titus Haffa said that profits were down in 1959 from 1958, however, and attributed the decline in part to Webcor's costly changeover to stereophonic phonographs & tape recorders. For the first fiscal quarter ended Sept. 30:

	1959	1958
Sales	\$8,783,000	\$8,070,000
Net income	135,000	136,000
Earned per share	21¢	21¢

Varian Associates doubled sales and sharply increased earnings in the fiscal year ended Sept. 30:

	1959	1958
Sales	\$38,130,311	\$18,985,714
Net income	2,518,169	1,503,727
Earned per share	81¢	48¢
Shares outstanding	3,125,650	3,103,698
For the quarter ended Sept. 30:		
Sales	\$9,074,110	\$7,168,152
Net income	729,371	476,273
Earned per share	24¢	15¢

NAFI Corp., the diversifying automotive upholstery & carpet firm which now owns KPTV Portland, Ore., and radio KOBV San Francisco, and whose purchase of KCOP Los Angeles awaits FCC approval, reports profitable operation for 9 months ended Sept. 30: 1959

	1959	1958
Sales	\$15,347,161	\$15,385,789
Net profit (loss in 1958)	495,191	(627,279)
Earned per share	50¢	—
Shares outstanding	987,655	987,655

Rek-O-Kut Co. Inc., maker of phonograph recording & reproducing equipment, is making a public offering of 142,666 shares of common (priced at \$3.50 a share) through D.A. Lomasney Co. as underwriter. Proceeds will be used to reduce Rek-O-Kut's debt and to finance the tooling & production of new types of components & equipment. The underwriter firm is offering an additional 71,334 shares, for certain Rek-O-Kut stockholders.

Beckman Instrument Inc. sales are running at an annual rate of \$55 million, compared with \$44.9 million in the fiscal year ended June 30, Pres. Arnold O. Beckman told the annual meeting last week. The outlook for improved sales & earnings in the current fiscal year, he said, "is very promising as far as we can see now." For the first fiscal quarter ended Sept. 30:

	1959	1958
Sales	\$12,600,000	\$10,200,000
Net income	623,000	619,000
Earned per share	46¢	45¢

Electronics Capital Corp., San Diego small-business investment company headed by Charles E. Salik, has purchased \$400,000 seven-year debentures convertible into 47% of the common stock of General Electrodynamics Corp., Garland, Tex. GEC claims to produce 75% of all vidicon TV camera tubes, also makes radar scan-converter tubes under prime contract to FAA.

International Telephone & Telegraph reports increased earnings for the 9 months ended Sept. 30:

	1959	1958
Sales & revenues	\$546,335,941	\$491,008,965
Profits	19,001,874	18,014,686
Earned per share	1.25	1.25

Loral Electronics Corp. was admitted last week to trading on the American Stock Exchange. Symbol: LOR.

Correction: Meredith Publishing Co. owns WHEN-TV & WHEN Syracuse, WOW-TV & WOW Omaha, KPHO-TV & KPHO Phoenix, KCMO-TV & KCMO Kansas City. Taft Bestg. Co. owns WKRC-TV & WKRC Cincinnati, WTVN-TV & WTVN Columbus, WKYT Lexington, WBIR-TV & WBIR Knoxville. Some Taft stations were erroneously included in the list of Meredith holdings in last week's issue.

Reports & comments available: Motorola, review, L. F. Rothschild & Co., 120 Broadway, N.Y. 5 . . . Philco, comments, Walston & Co., 120 Broadway, N.Y. 5 . . . P. R. Mallory, review, Fahnestock & Co., 65 Broadway, N.Y. 6 . . . Paramount Pictures, comments, H. Hentz & Co., 72 Wall St., N.Y. 5 . . . AT&T, prospectus, Morgan Stanley & Co., 2 Wall St., N.Y. 5 . . . Rek-O-Kut Co. Inc., prospectus, D. A. Lomasney & Co., 39 Broadway, N.Y. 6 . . . Digitronics Corp., Granberry, Marache & Co., 67 Wall St., N.Y. 5 . . . Electronic Specialty Co., profile in Nov. 14 *Business Week* . . . GT&E and Fairchild Camera & Instruments Corp., profiles in Nov. 15 *Forbes*.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
American Bosch Arma .	—	\$0.30	Dec. 31	Dec. 10
AT&T	Q	.82½	Jan. 11	Dec. 10
Bulova Watch Co.	—	.15	Jan. 15	Dec. 24
Burroughs	—	.25	Jan. 20	Dec. 24
Canadian GE	Q	2.00	Jan. 4	Dec. 15
Canadian GE	Ex.	4.00	Jan. 4	Dec. 15
Famous Players Canada	Q	.37½	Dec. 11	Nov. 25
Gabriel	—	.15	Dec. 15	Dec. 1
Globe-Union	Q	.25	Dec. 10	Dec. 2
Globe-Union	Ex.	.25	Dec. 10	Dec. 2
Hazeltine	Q	.20	Dec. 15	Dec. 1
Hazeltine	Stk.	.02%	Dec. 15	Dec. 1
Hoffman	Q	.15	Dec. 31	Dec. 11
Loew's Inc.	—	.30	Jan. 15	Dec. 22
Meredith Publishing ..	Q	.45	Dec. 11	Nov. 27
Standard Coil	Stk.	.03%	Dec. 31	Dec. 15
20th Century-Fox	Q	.40	Dec. 26	Dec. 11

AB-PT anticipates that 4th-quarter "gross income will be at record levels" and earnings will be "substantially better" than the 1958 quarter's \$1,224,000 (27¢ a share), Pres. Leonard H. Goldenson told the N.Y. Society of Security Analysts last week. Net operating profit for the first 9 months ended Sept. 30 was 26% higher than in the same 1958 period (Vol. 15:44 p22). Goldenson noted that the TV network had 90 advertisers this fall, compared with 60 a year ago; that the firm's second biggest money earner, the movie-theater business, is ahead of last year; that AB-PT will reduce its movie-theater holdings eventually from the current 500 to 350-400. He pointed out that the "ABC radio network is not showing a profit, as is the case with all radio networks, but the deficit this year will be cut when compared with 1958." He also told the Security Analysts that ABC's network TV ad rates are 25% to 30% lower than those of CBS & NBC.

Allied Artists Pictures Corp. tallied a 5½-fold profit increase (Vol. 15:46 p24) in fiscal-1960's first quarter ended Sept. 26, Pres. Samuel Broidy announced at the company's annual meeting. He also noted that Oct. "has shown a black figure from unofficial computations," and forecast "a reasonable black figure" for the current quarter. For the first fiscal quarter ended Sept. 26:

	1959	1958
Gross income	\$5,241,000	\$3,929,000
Net income	652,600	120,200
Earned per share	72¢	12¢
Shares outstanding	888,855	878,256

20th Century-Fox Film Corp. net income dropped to \$1,159,662 (49¢ a share) in the 13 weeks ended Sept. 26, compared with \$1,357,982 (58¢) in the year-ago period. Revenue & earnings showed a greater decline for the 39 weeks ended Sept. 26:

	1959	1958
Film rentals, etc.	\$85,933,864	\$94,136,723
Net income	2,930,532	6,590,991
Earned per share	1.25	2.87
Shares outstanding	2,338,536	2,293,186

Filmways Inc. reports lower earnings on increased revenues for the year ended Aug. 31, as compared with the preceding year (1958 share earnings & shares outstanding adjusted to reflect stock dividend & split):

	1959	1958
Revenue	\$4,448,650	\$3,758,317
Net income	190,537	224,870
Earned per share	43¢	73¢
Shares outstanding	447,986	307,076

CBS Inc., whose record 9-month sales & earnings were reported here last week (Vol. 15:46 p22), gives this breakdown for the 13 weeks ended Oct. 3, 1959 as compared with the 14 weeks ended Oct. 4, 1958:

	1959	1958
Net revenues & sales	\$103,201,938	\$99,305,548
Net profit	4,178,063	4,000,906
Earned per share	51¢	51¢

Foreign

India's first TV station is now on the air in New Delhi. The 500-watt transmitter, programmed by govt.-owned All India Radio, is on the air 2 evenings a week. The station has 4 camera chains and is being received initially by 35 sets installed in public places throughout the city.

Russia has increased TV production goals for 1961 in a new 3-year plan designed to step up output of all consumer goods. The official Soviet announcement revealed that 1958 TV output totaled 979,300 sets and that the 1961 goal is 1,928,000.

U.S.-Foreign TV Views: As U.S. networks edged cautiously toward more editorial control of program content last week, unanimous approval of the "magazine concept" of TV advertising was voiced in N.Y. by leading French, British & German TV executives at an Academy of TV Arts & Sciences seminar Nov. 17. Pierre Crenesse, dir. for North America, Radiodiffusion-TV Francaise; Norman Collins, deputy chmn., Associated TV Ltd.; and Peter Von Zahn, U.S. correspondent Nord-West Deutsche, Fernsehen, were the foreign guests favoring a "no-sponsorship position on a 6-man ATAS panel. Other panel members included Wallace Ross, TV consultant recently returned from an Iron Curtain tour; Alfred R. Stern vp, NBC Enterprises; Don Hewitt, producer-dir., CBS News. Highlights:

Crenesse on French TV: "Commercial TV in France would not be feasible," Crenesse said. "Our total TV-radio budget is 32 billion francs a year, while advertising could bring in only 4 billion." He voiced opposition to the American form of TV advertising, but said he favored a commercial TV with "3 commercial min. per hour, no sponsor say about programming, and advertising being handled directly by French TV, not through an agency." French TV, supported by a \$12 annual tax of each set owner, won't go commercial for many years, he predicted. Programming is "50% live, 44.6% film and 5.4% Eurovision." (Eurovision, "which originated in France in 1954," consists of French, English & German programming, has 12 subscribing nations "with the Soviet joining next month.")

Collins on British TV: Explaining the development & growth of Britain's magazine-concept commercial TV system (11 contractors, franchised for key TV areas to provide programs & sell advertising aired on a single independent channel) as "a reflection of the English love for compromise," Collins stated it had worked out very well indeed. He foresaw no change in the future either, even in the event of a 3rd TV channel, because of the classic dislike of the British "to change something that they have learned to live with." Independent TV profits (not gross) last year, Collins stated, were "around 15 million pounds" (some \$41 million). He reiterated his hope for a transatlantic TV link (Vol. 15:46 p14).

Von Zahn on W. German TV: German TV is on "a high level, with emphasis on opera, cultural programs & children's shows," although he admitted the present patchwork system reflects the philosophies in different German zones of the occupying countries. In any event, he doubted there will be any change in the present policy of "having sponsors without programming say." There are 3.5 million sets in W. Germany, with 10 million expected within 2 years.

Ross on the Soviet: "They have ambitious TV plans, and we must compete with them or join them," said Ross, who described incidents on a survey tour of Czechoslovakia, Poland & the Soviet Union. By 1961 Russia expects to have an interconnected non-commercial network within the Soviet Union, Budapest, East Berlin, Prague and Warsaw as well as a hookup to Nordvision (Scandinavia).

Stern, speaking on the world market for US. product, suggested that "If we're going to exchange programs and expand overseas, we must put foreign entertainment shows on local stations here." Film programming, used for economy by most countries, works against our best interests because film tends to create quota problems.

Hewitt, in discussing the networks' efforts to report news, via tape, the same day an event occurs in Europe, announced that CBS is outfitting a DC-4 with 3 live cameras and an Ampex recorder to cover President Eisenhower's tour next month.

Educational Television

Nationwide ETV network which will enable a single gifted teacher to instruct 100,000 students simultaneously was envisioned by RCA Chmn. Gen. David Sarnoff last week in an address before the Rockhurst College Honorary Directors Assn., where he received the Rockhurst Chancellor Award for "outstanding service to humanity." Through ETV, he said, "it may be possible for those who—for one reason or another—cannot enter college, to earn a college degree in their own homes . . . The day will come when there will be a nationwide TV network devoted exclusively to education. The basis for it already exists in the 43 non-commercial educational stations now in operation."

TV-teaching of foreign languages has the blessing of a top Canadian educator, who suggests that "TV could be the answer to the shortage of French [and other language] teachers." Dr. Robert Gauthier, French studies dir. of the Ontario Dept. of Education, has co-developed a casual teaching system used in CBC-TV's daily 15-min. *Chez Helene*. The TV "teacher," actress Helene Baillargeon, converses in French with 2 children & a puppet.

Westinghouse's "Stratovision" role in the flying-ETV program of the Midwest Council on Airborne TV Instruction (Vol. 15:42, p3) is spotlighted in the Oct. Westinghouse *Record* newsletter for stockholders.

ETV AID BILLS REVIVED: The House Commerce communications & power subcommittee is dusting off 8 federal-aid-to-educational-TV bills it shelved in June (Vol. 15:23 p2)—and Chmn. Harris (D-Ark.) plans "action" on them soon after Congress convenes again in Jan.

Leading up to another go at the legislation for govt. subsidies, 2-man teams of the 8-member subcommittee are conducting field trips to ETV installations and holding on-the-spot hearings in 9 states to gather grassroots notes on ETV operations & problems. Their schedule winds up Dec. 8 in Miami (WTHS-TV).

"Upon conclusion of these hearings it is anticipated that at the beginning of the next session of Congress the subcommittee on communications & power will take up the several educational TV bills on which the subcommittee has held hearings," Harris told exec. dir. Ralph Steetle of the Joint Council on Educational TV.

"At that time the subcommittee's hearing record and any additional information gathered during the field hearings will be considered by the subcommittee with a view to taking action on the pending legislation."

On the action agenda then will be 7 House bills & a Senate-approved measure (S-12) by Senate Commerce Committee Chmn. Magnuson (D-Wash.) for outright \$1 million govt. grants to each state and the District of Columbia for purchase of ETV equipment.

The subcommittee's field schedule so far has taken in Lincoln, Neb. (KUON-TV), San Francisco (KQED), Denver (KRMA-TV). Other ETV bases to be touched on the road to Miami: Seattle (KCTS), Chapel Hill, N. C. (WUNC-TV), Atlanta (WETV), Birmingham (WBIQ), New Orleans (WYES-TV), Tampa-St. P'burg (WEDU).

In addition to Harris, subcommittee members are Reps. Bennett (R-Mich.), Rogers (D-Tex.), Younger (R-Cal.), Flynt (D-Ga.), Avery (R-Kan.), Moss (D-Cal.), Rostenkowski (D-Ill.).

Second year of teleclasses for some 100,000 elementary & secondary students in 50 San Francisco school districts is now issuing from educational KQED. Approximately 4,000 teachers are utilizing 8 TV classes which are being offered Mon. thru Thurs., a.m. & p.m. Five of the teleclasses are being video-taped to permit re-runs and to provide school districts with greater scheduling flexibility. The TV courses are planned by KQED's curriculum advisory council, which comprises a representative of each contracting school district. The teleclasses are conducted by the station's team of teachers. School districts subscribe to the ETV service at the rate of 60¢ per student. Subjects range from math, science and Spanish instruction to current events, teen-age problems, basic driving techniques.

NAEB's 500th individual member came into the fold recently: Dr. V. A. Champa, audio-visual instructional services dir. of Pa. State Teachers College. He was awarded a year's membership. "Individual" is one of several NAEB membership categories. The others: Institutional—TV-radio broadcasters (152 members); Associate—ETV-program producers or operators of CCTV for direct teaching (112); Affiliate—groups interested in advancing ETV (63); Industrial Associates—firms that make or sell broadcasting equipment (8).

Teleguides outlining the plots & literary significance of NBC-TV's presentation of Shakespeare's "The Tempest" (Feb. 3, 1960), are being distributed as classroom aids by sponsor Hallmark and *Scholastic* magazine, to 160,000 English & drama teachers.

Television Factbook

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NOVEMBER 30, 1959

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

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Stations

FTC LEADS OFF in TV-radio offensive by govt. in wake of quiz scandals, summoning broadcasting brass to Dec. 2 showdown "to strike deception" from air (p. 1 & 11).

CODE RECRUITS ENLIST for TV's self-control-vs.-govt.-regulation fight; 15 new members subscribe to NAB's advertising-programming rules, bringing total to 282 (p. 7).

FCC

STAGE-SETTING FOR HEARING on programs proceeds at FCC. Non-broadcast witnesses expected first; heavy pressure on commercial excesses anticipated (pp. 2 & 4).

\$2.5 MILLION FCC UHF RESEARCH pushed after Budget Bureau approves funds. Comr. Lee is sparkplug of the drive, which has fair chance of green light from Congress (p. 2).

Congress

PAYOLA PARADE CONTINUES as House probes plan move to N.Y., to investigate TV performers in music field; DA Hogan subpoenas Alan Freed; disc jockeys resign or get fired in cross-country actions (p. 4).

Advertising

DON'T FORGET PROGRAM COSTS when you're trying to find the real extent of network TV in national advertiser spending. Listing only "gross network time" shortchanges TV (pp. 3 & 10).

Programming

WHAT TV-Q DOES is discussed by researcher Henry Brønner; his service tends to predict which shows will be hits, which flops (p. 8).

Manufacturing & Distribution

HOTEL-TV FIELD SMALL BUT HUMMING: Business is booming for 10 top TV suppliers & installers who report gains of 20% to 300% this year over last, foresee bigger market in 1960 (p. 16).

STEREO INFORMATION CAMPAIGN may be undertaken by EIA to help clear up public & dealer misunderstanding. New EIA phono section organized (p. 17).

POWER FROM NOISE is claimed for new semiconductor device, whose developers say it will make possible cheap 24-in. TV set drawing only 1½ watts of power (p. 18).

RADIO IMPORTS SOAR as 9-month shipments of Japanese sets to America equal 60% of radios manufactured in U.S. (p. 18).

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LARMON'S SUMMIT MEETING proposes the 3 networks agree to an outside "Citizen's Committee." Plan not acceptable (p. 5).

NET TV UP SHARPLY IN SEPT. as national ad volume gains 15% over Sept. 1958. Latest index shows TV 16% ahead (p. 6).

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FCC COOL ON CATV ACTION, reportedly deciding no further Commission proceedings are warranted. Denver discussion of "ad hoc" group concept undecided (p. 12).

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TWO 60-MIN. SHOWS BITE THE DUST and another is wobbly as season moves on (p. 13).

Other Departments

EDUCATIONAL TV (p. 11). **PERSONALS** (p. 15). **FINANCE** (p. 19).

FTC LEADS OFF IN TV-RADIO OFFENSIVE: The first of 4 zero hours in govt. assaults on TV & radio programming-advertising-payola will strike for broadcasters this week.

Biggest brass in industry will be confronted Dec. 2 by Federal Trade Commission, whose Chmn. Earl W. Kintner called extraordinary conference "to devise better & faster means of enforcing the present laws to stop false & misleading advertising on TV & radio."

Four-pronged govt. attack will then be carried forward by FCC, which starts wide-open hearings Dec. 7 on programming and Commission's powers to oversee it (see p. 2).

Then come 2 new waves of trouble for broadcasters from always-threatening Capitol Hill. House Commerce legislative oversight subcommittee, fresh from its quiz hearing triumphs (Vol. 15:41-45), mobilizes again Dec. 9 for upcoming payola probe, which already has set off explosive dismissals of disc jockeys from stations (see p. 4). Senate Commerce Committee Chmn. Magnuson (D-Wash.) will follow up with early-Jan. disciplinary showdown with industry representatives, FTC & FCC (Vol. 15:47 p5).

And looming darkly ahead for all broadcasting is 2nd session of 86th Congress opening in Jan. If pre-session talk is carried through by legislators, there'll be unprecedented bombardment of bills to tighten govt. controls over TV & radio—prohibiting program frauds, outlawing payola, licensing networks, etc., etc.

Renewed crusade by Sen. Monroney (D-Okla.) against rating systems may be part of it. Systems were attacked again last week as "mumbo-jumbo" by MBS's Hurleigh, blamed by Rep. Kowalski (D-Conn.) for "such deceit as TV quiz fixing," defended by Trendex Pres. Edward G. Hynes as statistical guides, which shouldn't be "tarred by a stick wildly swung around."

FTC "is poised to strike deception with the full force of the laws it administers," Chmn. Kintner said in summoning broadcasting chiefs to its boardroom-like Room 432 of FTC Bldg. at 10 a.m. Dec. 2 (after first setting Nov. 30 date). He had assurances last week that these will be on hand: CBS Inc. Pres. Frank Stanton, NBC Pres. Robert E. Kintner, AB-PT Pres. Leonard H. Goldenson, MBS Pres. Robert F. Hurleigh, NAB Pres. Harold E. Fellows, TV Code Review Board Chmn. Donald H. McGannon who heads Westinghouse Bcstg. Co. In face of common dangers, Stanton, Kintner, Goldenson and other TV network chiefs huddled privately in N.Y. Nov. 13 with Y&R's Sigurd S. Larmon to discuss common strategy, but reached no agreement, it was disclosed last week (see p. 4). Special meeting of NAB's 43-member board has been called for Dec. 4 in Washington's Shoreham Hotel by Fellows to "consider legislative & regulatory matters." No. 1 agenda item for TV Board at session: proposed Code amendments to prevent recurrence of quiz scandals (Vol. 15:47 p3). Attorney Gen. William P. Rogers reviewed situation at informal meeting with FCC members last week.

"Industry must stand ready to assist" in cleaning up frauds on air, FTC's Kintner warned in his summons to the closed session. Attending it as observers will be representatives of FCC and Justice Dept. The latter contemplates possible criminal action against connivers in rigging of TV quiz shows (Vol. 15:47 p5).

Kintner is "most hopeful" that TV-radio self-regulation can stem Congressional demands for more laws, he said later. Citing "hard-hitting appeals for industry self-reform" by broadcasters themselves, the FTC chairman told Chicago meeting of professional advertising fraternity Alpha Delta Sigma that these industry efforts—"coupled with vigorous govt. enforcement within the framework of existing laws"—may resolve problem. Assn. of National Advertisers was warned by Kintner that FTC "is not going to let go of this thing until it is cleaned up," however (see p. 11).

STAGE-SETTING FOR HEARING ON PROGRAMS: FCC's TV-radio programming inquiry, starting Dec. 7, could turn out to be one of most significant Commission proceedings on record. There's a deep stirring and concern at FCC and in industry, as the badgered Commissioners prepare their questions.

FCC issued a list of 52 organizations & individuals who have said they want to appear (for names, see p. 4). It's good cross-section of industry and non-industry groups, certainly should give Commission plenty to chew on. Non-industry witnesses will take stand first. Commission has set aside Dec. 7-11, will give more time if needed, conducting the sessions in Hearing Room B, Interstate Commerce Commission Bldg., 12th & Constitution Ave.

The inquiry is so broad (Vol. 15:47 p2) that there's no telling how it will develop. One thing is certain, however: Heavy pressure on "objectionable" & "excessive" commercials. Chmn. Doerfer, who abhors "the spectre of a bevy of govt. clerks blue-penciling programs," also said: "But I hasten to add that commercial utterances such as advertising are not entitled to First Amendment protections."

Today's crisis is reminiscent of the clutch of fear that shot through the industry in 1951 when FCC suddenly decided that TV programming was way off base (Vol. 7:4-5). It was the day of the 30-min. hard-sell pitchman, off-color jokes, deeply plunging necklines. After weighing staff's recommendation that all 107 stations be given temporary renewals, Commission decided instead to call an all-industry programming conference. Conference never came off, but industry got busy and formulated the code. Whole thing was largely intramural, however—nothing like the quiz scandals.

\$2.5 MILLION FCC UHF RESEARCH PROJECT PUSHED: A surprising FCC-sponsored \$2.5 million uhf TV research program during fiscal 1961 (year starting July 1, 1960) has received approval of Budget Bureau, awaits President Eisenhower's endorsement.

Details of budget are supposed to be secret until President makes formal announcement, but word of uhf project leaked out. Budget Bureau approval doesn't mean that project is set—because Congress still must vote the funds—but it's a giant step. Chances in Congress would seem at least fair. For one thing, Sen. Magnuson (D-Wash.), chmn. of Commerce Committee who has frequently urged FCC to sponsor such research, is chmn. of an Appropriations subcommittee responsible for funds for FCC & other independent agencies. For another, project was pushed before Budget Bureau by uhf enthusiast Comr. Lee who once headed House Appropriations Committee staff and retains warm connections with committee members.

Uhf project would be carried out by educational institution or similar organizations, not by FCC's limited staff. Program FCC has in mind is understood to be primarily a test of "multicasting"—the use of several transmitters per station to achieve the wide coverage & big-city penetration now accomplished by vhf. In addition, FCC contemplates a study of uhf receiver improvement—using parametric amplifiers, tunnel diodes, digital systems, etc. In fact, the program is much in line with recommendations by FCC technical research chief William Boese & Bureau of Standards engineer William Coombs (Vol. 15:42 p9).

Costs of multicasting tests, included in uhf project, were once obtained from networks. FCC had asked all 3 to cooperate in N.Y. multicasting experiments, but networks begged off because of costs.

It's understood Budget Bureau is considering substantial cuts in balance of budget submitted by FCC, and Commission is trying to get funds restored. Size of budget, in addition to uhf project funds, hasn't been disclosed, but it's presumed to be considerably more than the \$10,550,000 it received for fiscal 1960.

HARRIS POSTSCRIPT ON QUIZ FIX: Unexpected pat-on-back for TV came last week from Congressman who has probably done more to stir things up in television than any single govt. official in history—Oren Harris (D-Ark.), Chmn. of House Commerce Committee and head of recent quiz probes.

Snared for 10 p.m. prime-time TV interview by KOTV Tulsa's Roger Sharpe, Harris faced film camera, stated flatly he felt quiz scandals were "not at all" representative of TV, and that "TV industry is predominantly honest." Further quiz hearings, Harris also stated, were "unnecessary," since he felt House probes had "established the pattern" of quiz cheating.

Harris denied headline-hunting with quiz probe, admitted that consumer press was blowing it up into "highly sensitive area." Had he been putting the finger on disc jockeys in payola checkup? Snapped Harris: "I have a policy of not making public statements until I know what we're getting into."

No great damage has been done to TV by the quiz headlines, Harris told Tulsa TV viewers. "I think the broadcasting industry, in general, is just as strong within its community, and in terms of its responsibility to the American people, as it has ever been." Will the quiz circus help him politically? Harris smiled, parried: "That will have to be determined as time goes on."

Filmed 20-min. session was syndicated promptly by KOTV to other stations in Corinthian Bcstg. Corp. group, after newsman Sharpe flew back to Tulsa from Little Rock, Ark. Portions of it were borrowed for showing on CBS-TV o&o WCBS-TV N.Y. local newscasts—but most of press merely ignored Harris' comments, and waited for next round of probes.

ABSENT-MINDED MEDIA COMPARISONS: TV is periodically short-changed in comparative lists showing media expenditures of leading advertisers. What's usually left out of the count is a vital figure: the cost of programming & production, apart from the cost of time. Even TvB reports in this form, although that enterprising organization certainly has only the best interests of the medium at heart. But production costs are actually necessary for proper evaluation of network TV position in advertising. Reason: it's the one medium in which cost of the ad (commercial & program) often rivals cost of raw space (time) in which to house it.

Gross time spending is usual yardstick for network TV in all-media lists—with few exceptions—prepared by promotion bureaus, publications, agencies, research firms, individuals. (A notable exception: the McCann-Erickson-Printers' Ink tabulations; see Television Factbook No. 29, p. 22.) Same thing applies to spot TV, although the difference between listed figures & reality is not so acute since production costs are spread over much wider area as compared with time costs.

Usual excuse from researchers has some merit, we must admit. "Since reporting on media spending is done in the same way year after year, the differences in levels are what really count, not the figures themselves," say slide-rule experts. This would be nice if it ended there. But non-TV media represented on such lists tend to whoop up a slight dip in TV spending by individual sponsors—a dip that might be more than covered by increases in production spending. It's high time the real story was told, particularly in a season when network TV program costs are reaching an all-time peak.

Ratios of program to time cost vary (see page 10) but generally speaking, network executives figure program prices are up 4-10% in most routine categories this season. And specials are in a class by themselves. For routine shows, when gross network time is reduced by the usual discounts (at least 15%, and often 25%) and conservative program net-to-advertiser production prices are added, TV shoots up beyond the present boundary of supposed network spending by more than a third.

The FCC

More about

WHO'S WHO IN FCC INQUIRY: The FCC sounded pleased with the turnout its TV-radio programming inquiry has stimulated (see p. 2), congratulating the 52 who have filed appearances to date for "their willingness to expend time & effort in this very important proceeding." The Commission hasn't indicated when each will appear; it said it would do so later. Here's the list, as published by the Commission:

National Council of Churches of Christ in the U.S.A.
 National Catholic Welfare Council
 Union of American Hebrew Congregations
 Jewish Theological Seminary
 National Congress of Parents & Teachers
 American Assn. of University Women
 American Civil Liberties Union
 National Grange
 National Farmers Union
 General Federation of Women's Clubs
 National Assn. for Better Radio & TV
 National Council of Women
 Federal Communications Bar Assn.
 American Medical Assn.
 National Education Assn.
 National Assn. of Educational Bcstrs.
 Educational TV Council
 Joint Council on Educational TV
 Greater Washington Educational TV Assn.
 National Educational TV & Radio Center.
 Norman Cousins, *Saturday Review of Literature*
 William F. Buckley, *National Review*
 John Fischer, *Harpers Magazine*
 Prof. Gilbert Seldes, dir., Annenberg School of Communications, U. of Pa.
 Prof. William Y. Elliott, Harvard U.
 Prof. Charles Siepmann, NYU
 Prof. Reuel Denny, U. of Chicago
 Eric Larabee, exec. editor, *American Heritage*
 Prof. Paul Lazarsfeld, Harvard U.
 Rev. William Lynch, Georgetown U.
 Prof. Sydney W. Head, U. of Miami
 Theodore Peterson, U. of Ill.
 Prof. Ronald Coase, U. of Va.
 Prof. Percy Tannenbaum, U. of Wis.
 Prof. Ithiel Poole, MIT
 Msgr. John McClafferty, Catholic U.
 Assn. of Better Business Bureaus
 TV Code Review Board, NAB
 Assn. of National Advertisers
 American Assn. of Advertising Agencies
 Advertising Federation of America
 NBC; CBS; ABC; MBS
 Westinghouse Bcstg. Co.
 NAB
 ASCAP
 Sigma Delta Chi
 Philip Cortney, pres. of Coty Inc.
 Storer Bcstg. Co.
 WWLP, Springfield, Mass.

Others filing, though not included in the FCC's list: Pierson, Ball & Dowd (law firm); Sharfeld & Baron (law firm); NBC-TV Affiliates Committee; Peoples Bcstg. Co. (KTVT Sioux City, etc.)

All-network Conelrad briefing for pesonnel of all TV, AM & FM stations will be carried this week via closed circuit from Washington. FCC defense Comr. Lee has asked gen. mgrs. of all network-affiliated outlets to stand by for the special program, which will be transmitted Nov. 30-Dec. 4 by CBS, NBC, ABC and MBS at times chosen by the networks. Lee also asked the stations to provide non-network outlets with tapes of the briefing, conducted by FCC's national industry advisory committee in cooperation with FCC, Office of Civil & Defense Mobilization and Defense Dept. to explain "broadcasters' responsibilities & obligations" in the national emergency communications setup. He suggested that the stations invite local & state advisory committee members and civil defense representatives to sit in with station personnel for the closed-circuit program. In another move to strengthen Conelrad, FCC has approved for distribution an interim outline of a printed guide on *Functions & Responsibilities of State Industry Advisory Committees*.

Congress

Payola Parade: There was no doubt about it last week—the nation's disc jockeys, music publishers, recording officials and musical performers discovered they had replaced quiz contestants, producers and large-budget advertisers as the latest group to be herded into the "circus maximus" of public probes (see p. 1).

Even the locale of the spectacle was shifting. Robert W. Lishman, chief counsel of the House subcommittee on legislative oversight, announced he would move his payola investigations to N.Y. Dec. 1 to interview music industry figures in a search for an activity pattern in pay-for-play music & record plugs. Also due to be probed by Lishman will be the sideline activity of TV performers in music publishing & the recording field.

As a warm-up to this main event, the pace of payola probes in N.Y. was quickening. DA Frank S. Hogan served a Grand Jury subpoena on Alan Freed, one of the industry's top disc jockey names, Nov. 25 as he finished a local dance-party program on N.Y.'s WNEW-TV. (Freed had been fired officially by WABC Nov. 21, after refusing to sign an I-never-took-payola pledge, and had agreed to end his WNEW-TV contract "by mutual consent" Nov. 23).

Freed was hardly pleased at being the center of so much attention. He had refused to sign the payola pledge at WABC, he said, because it was "an insult," and had taken time during a local N.Y. radio interview to differentiate between in-front payola and after-the-fact gifts & Christmas loot from record firms.

Detroit & Philadelphia Walkouts

Also fired last week was WJBK Detroit disc jockey Tom Clay who admitted taking nearly \$8,000 worth of payola annually "but only when it was urged on him." Said Clay: "It is part of the business." Also on the motor city station, WJBK disc jockey Don McLeod resigned in a huff, becoming the 3rd platter-twirler to leave the station in a 36-hr. period. In Philadelphia, WIBG's Joe Niagara also joined the walk-out parade. For the benefit of N.Y. listeners curious about the payola position of WMCA personalities, the independent radio outlet aired spot announcements urging dialers "who have any questions about WMCA's music policy" to write in for details.

In Chicago, another local-level payola investigation began to develop Nov. 24 when the Cook County attorney's office promised to "cooperate fully" with the House special subcommittee study. Chief Investigator Paul Newey said WAIT personality Phil Lind has already been contacted. Lind's tape interview with the owner of a small record label allegedly uncovers payola demands made by several Chicago disc jockeys.

Further west, Twin Cities columnist-disc jockey Bill Diehl defended Minneapolis-St. Paul record spinners "who are not on the take," but urged a Congressional payola probe to uncover those disc jockeys in the U.S. "who have betrayed themselves and their public," and accept payola.

There is some likelihood of a Hollywood counterpart to the Washington & N.Y. payola probes. At least 2 investigators from Harris's subcommittee are due in Hollywood this week, at which time they'll begin a probe of West Coast payola activities. DA William McKesson has stated there is no Cal. state law to prevent payola (Vol. 15:47 p17).

Tunesmith Meredith Willson ("The Music Man"), scheduled to host the "Grammy Awards" show on NBC-TV

Nov. 29, expressed to TV columnist Marie Torre last week what he believed was at least one positive virtue of the payola probe. It revealed clearly, he stated, "that the popularity of rock & roll is artificially induced." The Grammy Awards voting in the National Academy of Recording Arts & Sciences (with winners ranging from Nat King Cole to the Mormon Tabernacle Choir) was proof, Wilson added, that "quality wins out all the time."

Meanwhile, the American Guild of Authors & Composers, which had spurred the House Commerce legislative oversight subcommittee into payola probes (Vol. 15:45 p1), shot off a letter to FCC asserting that suspect disc jockeys are displaying "merely a symptom of a disease." Guild Pres. Burton Lane said: "The disease itself is the involvement of the entire broadcasting industry, including the networks & local stations, in a deliberate & successful distortion of music programming for their own financial gains." Lane said he was talking about broadcaster-supported BMI, Am-Par Record Corp., CBS's Columbia Records.

Successor to Anti-BMI Group

Citing similar charges, the Guild and its predecessor Songwriters Protective Assn. (composed of ASCAP members) tried in Washington last year to push through legislation divorcing TV & radio from the music publishing & recording business. Their anti-BMI bill (S-2834) ended up in a pigeonhole after prolonged hearings by the Senate Commerce communications subcommittee (Vol. 14:30 p9).

"Misdeeds of a few disk jockeys should not be allowed to blacken the reputation of the entire radio industry," NAB Pres. Harold E. Fellows said in a Washington statement. He pointed out that station managements have "taken firm steps" against jockeys linked with payola. Fellows added that broadcasters generally shouldn't be held responsible for the practice—"just as I say that newspapers should not be condemned because from time to time, individual reporters admit that they are liars or have committed other misdeeds."

Among the "firm" corrective steps taken by stations: Storer Bcstg. Co. is establishing a "quality control" board to monitor & report daily on all programming on the chain's TV-radio outlets (WJBK-TV & WJBK Detroit, WJW-TV & WJW Cleveland, WSPD-TV & WSPD Toledo, WAGA-TV Atlanta, WITI-TV Milwaukee, radio WIBG Philadelphia, radio KPOP Los Angeles, radio WWVA Wheeling, W. Va., and radio WGBS Miami). The program "reporters" will be stationed in the station cities but will report to TV-radio programming vps at Storer's home office. Storer Pres. George B. Storer said the "quality control" plan will go into effect as soon as proper personnel can be selected & "fully schooled in Storer policy, FCC & FTC regulations, NAB code regulations and other requirements necessary to do knowledgeable monitoring."

TV blackouts of professional football games within 75 miles of cities where college teams are playing will be urged at the next session of Congress by Sen. Kefauver (D-Tenn.). He said he will introduce a bill prohibiting such telecasts unless the colleges consent to the pro competition on home TV screens. Kefauver's Judiciary anti-trust & monopoly subcommittee already has approved a measure (S-2545) advocated by him to exempt pro football, basketball & hockey—but not baseball—from anti-trust laws so that club owners can control those telecasts which interfere with games in the minor leagues. (Vol. 15:36 p3).

Networks

LARMON'S SUMMIT MEETING: A proposal for a top-level "Citizen's Committee" to act as outside guardian of TV's standards of morals & taste emerged as still another attempt at TV self-regulation in the wake of the quiz scandals last week. Authored by Sigurd S. Larmon, chmn. of Young & Rubicam agency, the proposal even had its cloak-&-dagger aspects.

Larmon, whose agency is estimated to have billed \$102.5 million in broadcast media in 1959 and to rank in 3rd place among the top ad shops (after J. Walter Thompson and McCann-Erickson), arranged a meeting of top officials of all 3 networks in a N.Y. hotel suite Nov. 13. Under Larmon's proposal, a committee representing major segments of the industry (networks, sponsors, agencies) would nominate a group of outstanding citizens to act as a guiding hand.

Network officials attending the Larmon-arranged meeting soon divided in their reaction to the Y&R chmn.'s plan. Robert W. Sarnoff & Robert E. Kintner, NBC chmn. & pres. respectively, generally supported Larmon's views, and later announced that NBC planned to form its own advisory committee of leading citizens shortly. CBS Inc. Pres. Dr. Frank Stanton agreed that TV should stage its own cleanup or face govt. control, but in a follow-up letter to Larmon stated he had "grave misgivings" about the Larmon plan, principally on the question of whether responsibility for network program content could be passed to an outside group "without sacrificing our integrity." AB-PT Chmn. Leonard Goldenson & ABC-TV Pres. Oliver Treyz sided with Stanton in not wanting to delegate responsibility for TV practices to a non-network group.

Larmon himself appeared unruffled by the failure of his proposal to find immediate backers among leaders of the 3 networks. What he had really been trying to do with his network summit meeting, he indicated, was to "stimulate thinking" about TV's increased responsibilities in an era of tighter self-control.

NBC's Policy Ads: Quiz & other audience participation shows will continue on NBC-TV "for the millions who enjoy them—and who have a right to expect that we can & will safeguard the integrity of all our programs," the network stated in full-page Sunday ads in *The New York Times*, *The Journal-American* and Chicago, Washington, Detroit & Los Angeles papers Nov. 29 and *The Wall St. Journal* Nov. 30. Titled "A Statement on TV," the ad was signed by Chmn. Robert Sarnoff & Pres. Robert Kintner.

NBC "assumes complete responsibility to the public for what appears on the network . . . seeks to satisfy the widest possible range of program tastes & interests . . . has an obligation to provide entertainment & relaxation to millions of set owners as well as to inform & enlighten [and] proposes to keep 'blazing the trail' for color TV," the ads stated.

Sarnoff & Kintner urged viewers not to judge TV by the recent quiz scandals. "The shadow cast by a few men who poisoned a few defunct programs in a single narrow segment of programming has blacked out some remarkable achievements," stated Sarnoff, citing "the TV debuts of Ingrid Bergman, Lawrence Olivier and Alec Guinness" and various other NBC specials. "We will crack down on improper practices wherever they may appear in programming or advertising," the ad concluded.

Net TV Up Sharply In Sept.: The national ad volume romped to a 15% gain in Sept. over Sept. 1958, with all major media but network radio contributing strongly to the increase. The latest *Printers' Ink* index shows that network TV gained across the board—16% ahead of a year ago, 10% for year to date, and 6% in Sept. over Aug. The Sept.-over-Sept. gains were paced by magazines, up 21%, and newspapers, up 20%. Network TV, however, racked up the biggest Sept.-over-Aug. gain. Newspapers were up 4% total magazines down 1%. The poorest performances were scored by network radio: down 31% from a year ago, down 13% for year to date, down 5% in Sept. from Aug. Best performance: general monthly magazines—30% ahead in Sept. over Sept.; 18% ahead cumulatively; 5% ahead Sept. over Aug.

Medium	Index		% Change from		% Cumulative Change
	Sept. 1959	Sept. 1958	1 month ago	1 year ago	
General Index	230	200	+ 2	+15	+ 8
Total Magazines	173	143	- 1	+21	+11
Weekly	190	157	+21	+ 9
Women's	118	107	- 8	+10	+ 9
General Monthly	235	181	+ 5	+30	+18
Farm	107	96	- 2	+11	+ 4
Newspapers	216	180	+ 4	+20	+ 7
Network Television	462	400	+ 6	+16	+10
Network Radio	20	29	- 5	-31	-13
Business Papers	241	218	+ 2	+10	+ 5
Outdoor	149	145	-10	+ 3	- 3

ABC-TV is leading by a hair in a close race among the 3 networks for top honors in Nielsen's 24-city rating reports on fully competitive TV areas. The measurements reflect viewing in about 40% of the nation's TV homes. For the week ending Nov. 15, the prime-time (7:30-10:30 p.m.) standing, in terms of audience shares between the networks, went like this: ABC-TV—30.6; CBS-TV—30.4; NBC-TV—29.7. Mathematically, it's a dead heat—for the first time—between the 3 networks, since the differences between the audience shares are within the "probable error" in ratings calculated by Nielsen. However, it reflects a 10% gain for ABC over the comparable week of a year ago and, according to ABC-TV researchers, points to a stronger showing in the national Nielsen measurements covering the first half of Nov.

Walt Disney Productions moved in N.Y. federal court Nov. 25 to take depositions of AB-PT Pres. Leonard Goldenson and 12 other ABC-TV executives in connection with a Disney suit against AB-PT. Disney is seeking an anti-trust action against ABC-TV for dropping *Zorro* & *Mickey Mouse Club*.

MBS added 8 affiliates last week. They are KLOQ Yakima, Wash.; KBKC Mission, Kan.; WROD Daytona Beach, Fla., WGTM Wilson, N.C.; WESX, Salem Mass.; WORL Boston; WTWN St. Johnsbury, Vt. and WIKE Newport, Vt.

NETWORK SALES ACTIVITY

NBC-TV

Journey to Understanding—Vol. II, 7-part program covering President Eisenhower's trip abroad.
Brown & Williamson (Ted Bates)

Texaco Huntley-Brinkley Report, Mon.-Fri., 6:45-7 p.m., renewal through 1960.
Texaco (Cunningham & Walsh)

Jerry Lewis special, May 20, 1960, 8:30-9:30 p.m., first network venture for advertiser.
Proctor Electric (Weiss & Geller)

'Support Code,' Warns NBC: In still another move to tighten broadcaster control of programs & commercials before there's a concerted move toward more govt. control, NBC-TV last week told its affiliates flatly that they should get behind the self-regulatory NAB code, and stay there.

The no-nonsense stand of NBC in support of NAB was in the form of a letter to affiliate management from David C. Adams, senior exec. vp. Adams made it clear from the outset that his letter was intended "to underscore the importance of the NAB TV code as an embodiment of the concept of industry self-regulation."

To make the NAB code work (in terms of providing "balanced, diversified programming" and in eliminating anything that will "violate standards of good taste & integrity"), Adams offered a simple 2-point plan. All TV broadcasters, he stated, should subscribe to the code, and all should comply faithfully with "its standards & spirit."

The letter wasn't to be considered as a join-NAB-or-else order, Adams pointed out, adding that the whole idea of self-regulation could be destroyed by "pressured action." But Adams strongly urged non-NAB outlets to "weigh the position of broadcasting and your position in it, and make the right decision about subscribing to the code." There was little doubt any more about what NBC considered the "right decision" to be.

Adams' letter followed by less than a week the creation by CBS-TV of a new "program practices" dept. headed by vp Joseph H. Ream (Vol. 15:47, p3). It also served notice on Sen. Magnuson (D. Wash.), chmn. of the Senate Interstate & Foreign Commerce Committee who has stated he doubts NAB's Code is "adequate," that NBC has every intention of seeing that it is.

Flying tape studio, to be used by CBS News in covering President Eisenhower's trip through Europe & India and reported by us last week (Vol. 15:47, p23), was scheduled to leave N.Y. for London Nov. 30. The tape-equipped DC-4 is being operated for CBS by Mobile Videotape TV Co. (MVT-TV). It carries 20 passengers, 3 live cameras, U.S.-standard Ampex recorder, portable power plant and dormitory facilities for the CBS & MVT-TV crews. The tape equipment is ground-mobile, and will be transferred to recording trucks in Rome & New Delhi for on-the-scene coverage of the Presidential trip.

Single TV-radio rating service "such as publishers' Audit Bureau of Circulation" was proposed in Chicago Nov. 23 by MBS Pres. Robert F. Hurleigh. "In the past few years the use of the rating as a crutch has nullified Madison Ave.'s selling creativity," Hurleigh said. Ratings services "should consider developing a standard rating service that can check a larger percentage of the population than the 3/10,000 of 1% now providing the base."

CBC manual of video-tape charges to advertisers & agencies employing taping services at its Toronto & Montreal stations has been issued by the Canadian network. The rates cover video-tape recording & playback, tape-to-tape recording & dubbing, cutting & splicing, storage, other services. Copies of the rate manual are available on request from W. R. Johnston, CBC, Box 806, Ottawa, Ontario.

CBS-TV is negotiating with several oil companies for exploration under its Television City property in Hollywood. This makes it the second TV company to seek "black gold." Desilu Productions has a deal with Continental Oil for drilling of its studio acreage in Culver City. Continental also has MGM. And 20th Century-Fox has 26 wells.

Stations

Code Recruits Enlist: Responding to Nov. 18 closed-circuit pleas by NAB TV Code Review Board Chmn. Donald H. McGannon for more support from the industry (Vol. 15:47 p3), 15 new station members had joined up by last week's end for its self-control-vs.-govt.-regulation fight (see p. 1). The recruits in the wake of the TV quiz scandals swelled the number of Code subscribers to 282 (among 560 TV stations on the air).

Cheers at NAB headquarters for this surge of enlistments in the Code cause were modulated by some sour notes, however. Two Code subscribers resigned for "economic" reasons, explaining that it was pointless of them to pretend to observe rules on commercials while their markets are so thin that they must take nearly any business that comes their way.

And of 28 letters received from Code members commenting on McGannon's closed-circuit pitch, 25 were less than laudatory. (Some of them were highly critical, "to put it softly," one NAB staffer told us.) None of the 25 dissenting subscribers threatened to quit the Code now, but their letters said in effect: (1) Why do we have to pay money to subscribe to something we observe anyway? (2) The Review Board is getting pretty high-handed. (3) Nobody's going to tell us how to run our business.

Concurrence with FCC examiner Horace Stern's recommendations that WHDH-TV (Ch. 5) Boston keep its grant despite "influence" charges (Vol. 15:39 p1, 15:45 p10) has been recorded by the *Herald-Traveler* station. In a 27-page reply brief, WHDH-TV said that "none of the attacks made [by contestants Greater Boston TV Corp. and Mass. Bay Telecasters Inc.] on Judge Stern's opinion have the slightest merit." The brief argued that FCC "may best discharge its obligations under the Court of Appeals' remand by adopting Judge Stern's opinion as its own and so report to the court."

Protest of grant to KSWO-TV (Ch. 7) Lawton, Okla. to change power, antenna height and transmitter location should be dismissed, said FCC hearing examiner H. Gifford Irion in a recent initial decision. KFDX-TV (Ch. 3) Wichita Falls, Tex., had protested the July 29 grant on grounds of economic injury (Vol. 15:40 p5). Irion said that the protestant had "made charges which it has since failed to prove although it bore the statutory responsibility for going forward with the proof."

Terms of sale of KOVR (Ch. 13) Stockton-Sacramento to Metropolitan Bestg. (Vol. 15:47 p9) were revealed in transfer papers filed last week. Metropolitan is paying Gannett Co. \$1,391,000 for 96% of stock of KOVR licensee Television Diablo Inc., also assuming payment of \$1,466,879 still owed Gannett by Diablo. Other 4% of Diablo stock is held by over 200 individuals.

Protest by WILX-TV (Ch. 10) Onondaga, Mich. to the Sept. 22 site-move grant of WOOD-TV (Ch. 8) Grand Rapids has been approved by FCC, and a hearing has been ordered. WOOD-TV had been granted a shift from 10 miles NE of Grand Rapids to 19 miles SE.

Fight over Flint's Ch. 12 moved another legal step last week when radio WFDF and W. S. Butterfield Theatres, which lost to WJRT in the Court of Appeals (Vol. 15:45 p10), petitioned for a rehearing before all 9 judges.

"Television's Adolescence: There are people in the television industry, so goes the rumor, who feel that the press exploited the quiz show scandals as an opportunity to discredit a competing medium of advertising. So, as a method of retaliation, some plan is reported under consideration within the television industry to discredit the press by seeking out and exposing its sins. If such rumors were true, it would be another indication that television is still in its infancy. Television, to be sure, should expose any practices of the press that warrant the sort of public censure which followed the exposure of fraud in the quiz shows. The picture of the press riding herd on television, and television, in turn, riding herd on the press, is not without its attractive possibilities. But if the motive is one of mutual disparagement for selfish gain the whole idea becomes rather ridiculous and, we are sure, is lacking in substance and unsupported by responsible people in television. As a matter of fact, many of television's current difficulties are the result of inexperience, the absence of adequate centralization of controls and an undeveloped sense of public responsibility. Such defects in the amazingly rapid development of a marvelous new means of communication are not surprising. They were evident, in other forms, in the early days of the movie industry. They were found not so long ago within a press that was further away from maturity than it is now. They will be overcome with age and a greater realization, by those who control television, of its splendid opportunities for constructive public service."—*Washington Star*.

Beating NBC-TV to gun against Gillette-sponsored Fri. night fight shows, which the network wants to drop because of falling ratings & public suspicions of pro boxing practices (Vol. 15:47 p9), WSAZ-TV Huntington-Charleston, W. Va. last week announced it's cancelling out. Pres. Lawrence H. Rogers II of WSAZ Inc., which also operates radios WKAZ Charleston & WSAZ Huntington, said that after Dec. 18 his stations no longer would carry the network fights because: "Boxing & wrestling—while popular program types—have been subjected to more speculation, charge & countercharge of alleged rigging, fixing, gambling, and payola, than even the broadcasting industry, and for a very long time." At the same time, Rogers said WSAZ Inc. had "confidence in NBC's programming judgment" and its action was no reflection on sponsor Gillette.

Transfer of J. H. Whitney's 5 TV & 6 AM stations to the New Cortelco Inc. (subsidiary of Whitney Communications Corp.) in a reorganization grouping Whitney's broadcasting & publishing interests (Vol. 15:43 p3), was approved by FCC last week. Also approved was the \$1,675,000 acquisition of 70% of WRGP-TV (Ch. 3) Chattanooga by WSTV Inc., which owned the other 30% (Vol. 15:43 p7). Comr. Bartley dissented to both actions.

Japanese TV tape recorder, claimed to be simpler than the Ampex & RCA approach and based on a different principle, will go into production this month, according to Tokyo Shibaura Electric Co. (Toshiba). Toshiba says the system uses a single revolving recording head, while the U.S. recorders use a recording drum of 4 heads.

RCA shipped 10-kw transmitter Nov. 25 to KXLF-TV (Ch. 4) Butte, Mont.; superturnstile antenna Nov. 24 to upcoming WGTV (Ch. 8, educational), which hasn't reported a target; monochrome TV tape recorder to KHQ-TV Spokane and KIMA-TV Yakima, Wash.

Truck-mounted Ampex Videotape recorder will be put into operation Dec. 1 by WTCN-TV Minneapolis-St. Paul.

Programming

WHAT TV-Q DOES: Of the 36 new nighttime network shows that debuted this season, 10 series—*Hennessey*, *The Rebel*, *Dobie Gillis*, *Bonanza*, *The Untouchables*, *Dennis the Menace*, *Laramie*, *Hotel de Paree*, *The Deputy* and *Bronco*, (not necessarily in that order) will be audience hits. On the sackcloth side of the research fence, 9 shows—*Troubleshooters*, *The Lineup*, *Charlie Weaver*, *Fibber McGee & Molly*, *Dick Clark's World of Talent*, *Dennis O'Keefe Show*, *Philip Marlowe*, *Revlon's Big Party*, and *Love & Marriage*—will be flops and are likely candidates for the axe.

These "qualified predictions" were tossed at N.Y. admen gathered for an RTES seminar luncheon Nov. 24 by Henry Brenner, ex-Standard Brands research executive who now heads the most-discussed & least-understood new TV research service—TV-Q. Sharing the luncheon double-bill with Brenner was Albert E. Sindlinger, who announced details of a Sindlinger plan to invade national TV audience measurement with an all-embracing new rating service.

Brenner, who told the TV-radio executives his service measured "individual viewer reaction to programs" rather than families or sets, admitted that a new formula, developed to relate the *present* like-dislike levels of TV-Q to *future* Nielsen audience shares, was "an imperfect service, making predictions about another imperfect service."

Program appeal today, he added, varies by many factors, including sex, age, husband's occupation, education, geographical region. Actual audience-size ratings of new shows do not necessarily show this. ("Sometimes, most of the audience is just watching the 'least unacceptable' show among 3 networks, and strong new competition could clobber it," he explained later.) There is also a new research area to be explored in charting the relationship of program appeal to product usage & buying.

Sindlinger Outlines New Rating Service

Veteran researcher Sindlinger took a different tack on the rating issue, when his turn came. Charging that the recent quiz scandal "was created by the insistence on high ratings at any cost," Sindlinger stated that "the broadcast rating appeals to most of us because we have educated & trained ourselves to over-simplification."

What Sindlinger will offer shortly is "our attempt to transfer the emphasis from size of rating to quality of rating." It will be a fast-service measurement ("within a week following the telecast") in most cases, covering such factors as: TV sets in use by section of the country, daily audience reports, national TV ratings, data on program selectors by sex & age, household & audience characteristics, in-home & out-of-home viewing data, and a special "custom series" of rating measurements including sponsor-identification studies.

Henry Brenner's TV-Q service is something of a Cinderella among veteran research firms like Nielsen, ARB, Trendex, Pulse and others. Now in its 3rd season, it counts among its subscribers all 3 networks and such major agencies as J. Walter Thompson, Benton & Bowles, BBDO, Ted Bates, Leo Burnett and Y&R.

Further background on the TV-Q service, which an NBC-TV research executive told us last week was "definitely gaining importance in our program decisions," was sketched for us by Jan Van Emmerik, who is gen. mgr. of TV-Q. HTI, the parent firm, was founded 8 years ago, but TV-Q was not born until the spring of 1957. In June

1958 the first commercial service began. Research is done in a national consumer panel of some 10-12,000 families divided into 12 matched groups, using mail-in ballots.

What TV-Q does is to measure public attitude toward specific programs on a 6-point "scale of preferences" ranging from "one of my favorites" to "never have seen." The final TV-Q rating is the percentage of respondents familiar with the program who consider it a favorite. TV-Q reports are prepared fairly quickly. Ballots are mailed on the first of the month, tabulating begins by the 15th and by the 21st reports are ready.

In themselves, the ratings thus achieved are interesting, but the real value of TV-Q, network & agency buyers told us, is in prediction. Almost immediately, researchers discovered a close relationship between audience like or dislike for network programs and the share-of-audience levels that the programs would draw in the future.

Predicted 1957 & 1958 Hits

TV-Q figures in the fall of 1957 showed that such shows as *Wagon Train*, *Leave It to Beaver*, *Have Gun, Will Travel*, *The Price Is Right* and *Maverick* would rise in the ratings to become hits. They did. Last fall, TV-Q figures showed similar promise for *The Rifleman*, *77 Sunset Strip*, and *The Lawman*, although TV audiences double-crossed researchers by not awarding rating accolades to *Yancy Derringer* and *Cimarron City*.

The growing popularity of TV-Q, Brenner & Van Emmerik told us, is closely related to the agency & network thirst for knowledge as to the validity of their program guesses. Most agencies can get within 75% accuracy in predicting Nielsen audience shares somewhere around the 7th or 8th week of a new show's run. TV-Q's box score, so far, is in the neighborhood of 80-90% accuracy, within 3 points of audience share.

As to pinpoint accuracy, TV-Q claims a score last fall of 43% of its share predictions having come within a single rating point—a strong indication of the general validity of its deceptively simple method.

There are, Brenner told us after the RTES meeting, some interesting general trends at work among the new crop of fall shows, as compared with the new shows of the 1958 season. Comedy is on an upbeat; the average "Q" score (listed as a "favorite") of comedies is 4 points higher this season as compared with last. The adventure-show average among newcomers is up a point, but all other new shows in regularly scheduled categories (apart from news, specials) are down in varying degrees. Dropoffs this season: mysteries (down 7 points); musical shows (down 5); Westerns (down 4); drama (down 3). This means that more people are showing a greater liking for the new crop of comedies than they did for new comedies last year and that they are demonstrating a drop-off of interest in new shows of other types.

TV-Q prediction came true Nov. 25 when ABC-TV suddenly dropped *Dick Clark's World of Talent* from the Sun., 10:30-11 p.m. period "because of low ratings." Advertiser P. Lorillard is sticking with the time slot and will program Filmways' *21 Beacon Street* reruns (Dennis Morgan), which was an NBC-TV summer replacement this year. The move "has nothing to do with Clark's recent payola headlines," a network spokesman told us. ABC gave Clark a vote of confidence however by scheduling "Dick Clark's New Year's Eve Party," a 90-min. WFIL-TV Philadelphia-originating show Dec. 31. A 2nd TV-Q forecast was realized last week when *The Lineup* was dropped (see p. 13).

More News Specials: The latest major advertiser to join the buyers of big-budget news shows (Bell & Howell, B. F. Goodrich, Firestone,) is Brown & Williamson Tobacco Co., a firm not usually given to purchasing red-carpet prestige advertising. B&W's buy is for the full 7-program package planned by NBC-TV in its *Journey to Understanding—Vol. II* coverage of President Eisenhower's forthcoming overseas trip. (The earlier "Journey" series had been largely domestic, dealing with Soviet Premier Khrushchev's visit in Sept. to the U.S., and had been telecast sustaining.)

CBS News has already bagged a blue-chip sponsor for its parallel coverage of the President's good will tour. Firestone Tire & Rubber Co. (Vol. 15:47, p10)—which also backed CBS's Khrushchev coverage—has signed. Still in the unsold category is the ABC coverage of Eisenhower's trip. ABC-TV has 3 prime-time specials planned, and will air them with or without a sponsor but is fairly confident of a sale before the President's departure.

As a byproduct of current sponsor interest in news specials, each network now anticipates sponsorship of its year-end coverage of 1959 news highlights, we were told by sales executives at all 3 networks last week. None of the year-end wrap-ups last year, by comparison, managed to land advertising support. Planned as year-end news specials so far are ABC-TV's "Prologue 1960," CBS-TV's "The Year Gone By," and NBC-TV's "Projection 1960."

Trio of Westerns made the honor list in the current *National Parent-Teacher*. The official publication of the Parent-Teacher Assn. praised *Fury* because it links courage with compassion, "strength with strategy, and respect for the law with respect for human beings." *Gun-smoke* made it for its "real moral teaching," for portraying the "good man" as always admirable if not always successful. *Rifleman* scored because the series' father "frequently" emphasizes to his son "that kind & friendly people do not want to take your money or stick a knife in your back."

Backhand slap at critics who give TV the snob treatment is administered by NBC continuity acceptance dir. Stockton Helffrich in his latest departmental memo. Closing a discussion on "quality" shows, he opined: "If our intelligentsia choose carefully which plays, which ballet, which concerts are to enjoy their patronage & their financial support, why are they unable to come out of that ivory tower . . . and dial to something like these? . . . And if they do not, what earthly right have they any longer to carp about its faults . . .? No right at all."

After attacking TV sponsors who are unconcerned about the impact of their programs on the public, and demanding shows that are "uplifting & enlightening," Coty Inc. Pres. Philip Cortney was asked by a reporter at a Chicago press conference, "What's so uplifting about *The Gale Storm Show*, *American Bandstand* or *Beat the Clock*?" Reports *Variety*: "Cortney said he was not familiar with the programs. Coty coin is riding on all 3 shows."

WMCA N.Y. has acquired control of Radio Press International, "beeper phone" news outfit, from George Hamilton Combs who has resigned as chmn. & editor-in-chief. RPI supplies to about 50 subscribing stations two 15-min. programs daily covering domestic & international news. WMCA Chmn. Nathan Straus & Pres. R. Peter Straus, will function in the same capacities for RPI.

U.S.-Russian cultural pact, including provisions for TV-radio program exchanges, has been renewed for 2 years, following negotiations in Moscow. Broadening the terms of the first such agreement reached in Washington in Jan. 1958 (Vol. 15:4 et seq.), the new 1960-61 cultural interchange envisages TV-radio appearances by U.S. & Soviet leaders, swaps of newsreels & non-controversial documentaries, etc. Either country may censor the other's offerings on grounds that they wouldn't improve American-Russian relations. In a State Dept. statement accompanying a communique on the Moscow negotiations, it was stressed that "the exchanges will, for the most part, be carried out by private persons & organizations." One of the few concrete results of the 1958-59 cultural agreement in the broadcast program area was a TV film swap deal worked out in Sept. by National Telefilm Associates & the Sovexport distribution organization (Vol. 15:38 p10).

Worldwide talent union is being sought by AFTRA, which has helped persuade officials of the forthcoming (Dec. 3-11) International Conference of Free Trade Unions in Brussels, that a day should be set aside for such discussions. AFTRA representatives at the Belgian meeting of unionists will be Donald F. Conaway, national exec. secy., & Mortimer Becker, national counsel. Representatives of other U.S. talent unions (musical, variety, legitimate theater) will also attend, as will British talent union officials. AFTRA now has network-level contracts covering residual fees to performers when taped shows are televised in foreign countries.

Viewers are opposed to greater govt. control of TV despite their disenchantment with the medium, the *Wall St. Journal* has concluded on the basis of interviews with more than 300 persons across the nation. The vote was more than 2-to-1 (179 vs. 83) against federal intervention "to clean up the mess," although two-thirds admitted being disturbed by the quiz frauds and approximately 23% of the respondents were "shocked" and otherwise more-strongly disturbed. Other views noted: the respondents backed by more than 2-to-1 NBC's dismissal of Charles Van Doren; many who oppose federal curbs on programming do favor govt. action against misleading claims by TV advertisers.

Listener-financed FM, already operated on the West Coast by the Pacifica Foundation and proposed by it for Washington (Vol. 15:44 p6), is spreading to N.Y. Stock of WBAI-FM Inc., licensee of WBAI N.Y., has been presented by financier Louis Schweitzer (Kimberly-Clark Corp.) as an outright gift to Pacifica Foundation, which now runs non-commercial, listener-supported "cultural" KPFA & KPFB San Francisco & KPFB Los Angeles. Pacifica pres. Harold Winkler, who filed an FCC transfer application for the N.Y. license, said "we intend to make this the most significant radio station in the country," starting in Jan.

Speedier TV news coverage is obtained by KETV Omaha via a 2-way radio-communications system linking the station with the autos of 5 station newsmen. Vp-gen. mgr. Eugene S. Thomas said the radio link enables news dir. Dick Trembath to maintain constant contact with the roving reporters—to relay assignments for fast-breaking news developments and receive their news reports faster. The reports radioed in by the reporters can be tape-recorded at the station for immediate broadcast.

Low-light colorcasting (Vol. 15:44 p9), which permits live color-TV pickup of night sports under normal stadium lighting, will be demonstrated via tape by Crosley Bcstg. Corp. at NBC studios in N.Y. this week (Dec. 1).

Advertising

More about

PROGRAM-VS.-TIME RATIOS: Even admen who pride themselves on being non-mathematical can readily judge 2 things in the chart below, prepared at our request by A. C. Nielsen Co.: (1) Talent costs—meaning all production expenditures—have been edging upward in all major program categories since 1958, notably in the area of specials, and (2) as talent costs go up, the relative percentage which network time represents in total costs is gradually going down.

Figures for time charges in the program-type chart that follows, Nielsen tells us, are an average of net costs, not gross, and reflect usual network discount structures. Talent charges, also on a net-to-client basis, are based on information provided to the research firm by sponsor clients, estimates on others, and information from Nielsen's reports on network cost-per-1,000 figures. The chart actually reflects the time-talent ratio on about 50% of all nighttime programming, sustaining & commercial:

Time & Talent Percentages of Total Costs

	March-April (1958 vs. 1959)			
	1958	Talent	1959	Talent
Westerns (24)	55.4%	44.6%	54.7%	45.3%
Variety (21)	53.2	46.8	52.6	47.4
General Drama (14)	58.7	41.3	57.3	42.7
Specials (11)	38.4	61.6	31.0	69.0

Nielsen's study shows that network program costs have risen to the point where they can represent nearly 70% of the total time-&-program package. Note that this was true back in the spring, even before the Ford & other blockbuster series began rolling. And the figures also underline a dramatic point: that the usual method of reporting network TV expenditures by top sponsors (see p. 3) underplays TV's real strength as a medium.

Certainly, a figure for "gross network time" gets somewhat closer to the total-spending level than does one on which the usual discounts have been figured. Major advertisers (Lever Bros., General Foods, Procter & Gamble, etc.) spend at a level which usually earns a discount on time of 25% at night on the 3 networks. Most advertisers get around 15%.

Panel Show \$25-36,000; Film Programs Higher

Programs are something else again. Even panel shows, generally nighttime TV's cheapest buy, run from \$25-\$36,000 for production, including agency commission. Film programs go considerably higher, with one NBC executive, TV sales-development mgr. Robert McFadyen, telling us that "a reasonably good 30-min. film show costs about \$45,000 net for each of 39 originals and about \$15,000 for each of 13 repeats, to average \$42,000 net." (ABC-TV research mgr. Fred Pierce puts his network's figure somewhat lower, with most 30-min. film segments coming in at an average net price between \$35,000 and \$37,000, and 60-min. shows running at slightly more than double the 30-min. price. The figures given us by CBS-TV sales v.p. Ed Bunker were generally similar to those of NBC-TV).

Sparkling the trend toward a balance of actual time & actual program expenditures are the nighttime TV specials. Most cost at the rate of about \$120,000 per hour for the time as against \$125,000-&-up per hour for program charges. Said a network program executive who keeps track of cost trends in specials: "A special can actually show a ratio of 2.5-to-1, in terms of program cost vs. time."

The major trend toward specials this season thus won't really be reflected in the figures due to be printed eventually—figures which will show advertiser-spending in terms of gross network time only, without regard to the costs of producing the programs that occupy the time.

If all network gross time were shown and properly discounted, research executives told us, these over-all gross levels would of course immediately drop. But if actual net costs of programs were then added, the TV network total expenditures by advertisers (non-spot) would then shoot up something like 35% above the level at which they're now reported in media spending.

Couldn't the figures of other media be adjusted similarly to reflect a larger position in national advertising budgets? Apparently yes, although most would have little to gain. In the Sept. issue of *Television*, such a formula was stated, employing discount on gross print space, and an increase for costs of print ad-production. For gross billings in newspapers, 6.9% was to be added and for gross magazine billings, 11.5% based on formulas developed by McCann-Erickson's research dept. On 1958 spot TV, time was discounted by nearly 30%; then, 15% of the remainder was added for production. In network radio, time was discounted by 25%; then, a production factor of 35% was added. None of the formulas produces the kind of upward leap that adjustment of network TV figures brings.

BBDO vp & asst. treasurer Clayton Huff, speaking recently to the Assn. of National Advertisers, advised ANA members that print production costs for magazines, newspapers & business publications had risen an average of 30% since 1950, ranging from hikes of 24% each for electrotype & composition costs to a 40% increase for artwork. But TV costs, by comparison with 1950 levels, have literally skyrocketed, a 30-min. film show that cost \$7,000 in 1950 costing about 7 times as much today (Vol. 15:45).

Ad People: David Mixter and Joseph Marone named Benton & Bowles vp's . . . Fred W. Barrett will retire Jan. 1 as media vp, BBDO . . . Frederick A. Mitchell resigned as vp-gen. mgr., N.Y. office of Needham, Louis & Brorby . . . Sylvester L. (Pat) Weaver, McCann-Erickson International chmn., appointed chmn. of the American Heart Assn., succeeding Bruce Barton, BBDO chmn.

Kent Dennan, John Lamb and Edwin F. Lewis named Young & Rubicam vp's . . . Robert Ellis elected Kenyon & Eckhardt vp . . . Douglas Saunders retires at the year's end as chmn. of London office of J. Walter Thompson. He will be succeeded by William Hinke, promoted from managing dir. in London . . . John K. Ford, General Motors films & TV newsreel section mgr., named chmn., ANA audio-visual committee.

Mail-order TV advertising is being tested by KNTV San Jose via a Mon.-Fri. *Mailman Matinee* feature-movie program. Viewers are invited to phone or write for a free mail-order brochure which illustrates & describes products demonstrated on the program during a 4-week period. For \$85 monthly, each advertiser receives 2 TV commercials and gets the bonus of a half-page ad in the brochure which is reprinted every month. Thus even other sponsors' products pull for him inasmuch as they all push the brochure. The current test is limited to 60 products a month. The mail-order ad format was developed by the Small & Gautreaux ad agency, Hayward, Cal., which plans to extend the promotion to other TV markets.

TV-Tailored Marketing: "If TV is your major medium, your logical distribution pattern will conform to its contours, rather than to the traditional metropolitan area or newspaper trading areas. Otherwise, you are not obtaining maximum value out of your TV advertising." This, Corinthian Bcstg. Corp. told us last week, is the underlying media theme in the firm's new "tele-urbia" presentations now being made to agencies & advertisers, and being promoted with trade-slanted print ads.

Corinthian officials are aware that their presentation will inevitably be compared with Westinghouse Bcstg.'s recent "megatown" spot TV presentation, which stated that U.S. marketing should be built around a series of exploding population centers bordered primarily by TV signals. One major difference: Taking a real poke at recent print media presentations, Corinthian states that TV is becoming more & more "the actual sales force, rather than a vague support of a sales operation." Adds Corinthian: "The consequences on company organization are profound; they affect the executive structure itself ultimately."

The "tele-urbia" concept was first revealed to TV admen Nov. 20 at TvB's fifth annual meeting in Chicago, as part of the Bureau's "Exponential" presentation. Featuring a TV-oriented revision of the marketing pattern of Anheuser-Busch (Budweiser, Busch Bavarian), TvB's entire presentation will be unveiled in N.Y. Dec. 16 at the Waldorf-Astoria Hotel. Apart from the Corinthian-developed material, the TvB presentation stresses the need for intensive use of TV advertising by national advertisers "to avoid reaching the exponential, or plateau, where sales level out."

TV-radio's power to sell the unknown is being demonstrated by WOR-TV & WOR N.Y. in a campaign for sponsor *Psychic Observer*. The radio station's Long John Nebel sold 2,000 subscriptions in 3 weeks—including some fast listeners who requested "The Psychotic Observer," "The Absorber," "Sika Magazine," and "Psycho-Observer." And one night WOR-TV's Zacherley ("the Master Ghoul") picked up 28 additional subscriptions without trying, merely by showing the magazine on camera. These orders came from viewers who said they'd wanted the magazine but hadn't known how to spell its title until it was on TV.

TV entries won a third of 33 medal & merit awards bestowed by the Art Directors Club of Chicago last week to winners of its annual best-in-advertising-art competition. The remaining 22 top awards went to print media—magazine, newspaper and trade-paper ads, point-of-purchase displays, direct mail. Entries were received from 20 states, included more than 2,000 TV commercials & print ads. The winning TV & print entries and 103 runners-up will be exhibited all this week in Chicago's Prudential Building lobby. The 11 prize-winning TV commercials were for Shamrock Oil & Gas Corp., Dodge, Northwest Orient Airlines, Faygo Beverage Co., The May Co., 7-Up, Peoples Gas Light & Coke Co., Renault Inc., Ford, U.S. Steel, and Thorofare Markets Inc.

Advantages of 8-sec. TV spots are pointed out in TvB's latest presentation "Ideomotion." Cited are 8-sec. ID's "low cost for multiple impressions, flexibility, deep market penetration, adjacency to popular network or local shows and greater exposure time."

More about

FTC's Views on 'Deception': Responsibility for correcting TV advertising abuses "rests with advertisers themselves," but FTC is not going to make life tough for admen by insisting on 100% reality in TV commercials. That's the gist of what FTC Chmn. Earl W. Kintner told top officials of the Assn. of National Advertisers in a Nov. 16 meeting in Washington, later relayed Nov. 24 in a special report by ANA to its member firms. (For other activities of FTC, see p. 1).

ANA was represented at the session with FTC's Kintner by some of the ad industry's top officials: Donald S. Frost, Bristol-Myers vp & ANA chmn.; Roger H. Bolin, Westinghouse ad. dir. & ANA vice-chmn.; Howard Eaton, Lever Bros. media dir. & chmn. of ANA's Bcstg. Advertising Services Committee; Gilbert H. Weil, ANA gen. counsel; and Peter Allport, vp & secy. of ANA.

In effect, FTC's position is "concern with what the viewer sees, not necessarily with what goes on in the act of bringing a TV picture to the screen," ANA was told. It was agreed that "incidental theatrical artifice," (use of blue shirt to create white on the home screen, use of make-up to compensate for theatrical lighting or electronic limitations, use of substitutions like plastic "ice cubes" when the product would not stand up to "studio conditions") is immaterial unless it "represents a material deception as to characteristics, performance or appearance of a product."

In cases of the latter, the Commission is "proceeding on a case-by-case basis and general formulas cannot be indiscriminately relied upon," said Kintner. According to the ANA report, the Commission is particularly concerned with "competitive claims" and "tests or other supported proofs of advertising claims which are not honestly or fully presented or . . . fall short of what they are set forth to be."

Educational Television

TV grants took the lion's share and more than 25% (\$3,376,798) of the total \$12,290,527 expended by the Fund for the Advancement of Education during Jan. 1957 to Sept. 1959 for experimental programs aimed at improving the quality of education in U.S. schools & colleges. An additional \$755,779 was allocated for experiments in the use of films, tapes and other electronic devices as teaching & learning aids, FAE Pres. Dr. Clarence H. Faust reports. The 2nd highest project allocation, with grants totaling \$3,237,649, went to "programs embodying new approaches in the preparation of school & college teachers." The allocations are detailed in "A Report for 1957-1959" which is available on request from FAE, 477 Madison Ave., New York 22.

Proposed 6-state ETV network for the upper Midwest (Vol. 15:31 p24) would enable 12 to 15 ETV stations to take to the air in Ia., Minn., Neb., N.D., S.D. and Wis.—linked, according to present plan, by 61 towers spaced 28 miles apart. The ETV network is being surveyed by NAEB, under a \$30,110 grant from the Hill Family Foundation of St. Paul, Minn. Results of the study of network feasibility & cost are slated for publication around mid-Dec. KTCA-TV St. Paul gen. mgr. & NAEB Region IV dir. Dr. John C. Schwartzwalder is directing the survey. He reports that the network proposal "is being received with great enthusiasm," but notes that the 6 states are looking to Congress for the \$2 million that will be required for equipment.

Auxiliary Services

FCC COOL ON CATV ACTION: Though there's been no announcement, it's understood FCC last week concluded that no further formal proceedings on CATV are warranted at this time.

The unofficial word is that the Commission concluded: (1) FCC's previous proceeding on CATV, resulting in recommendations for certain legislation (Vol. 15:15 p2), was a full & adequate job. (2) The FCC won't sponsor an "ad hoc" committee, of the type recommended by the National Community TV Assn., to resolve industry differences (Vol. 15:47 p15). (3) The Commission would be happy to see the disputing factions solve their problems themselves.

Recently, the Commission had been giving serious thought to the problem of "duplication"—CATV systems carrying programs at the same time, or before, local stations could offer them. Apparently, the Commission has concluded that it can't or won't get into the problem.

Issue Left Up to Industry, Congress, Courts

The FCC's move thus leaves the situation up to the industry, Congress and the courts. Congress may well choose to step in where the FCC doesn't. And it's assumed that the stations will pursue their court fight to stop CATV from distributing their signals.

FCC broadcast bureau chief Harold Cowgill met in Denver Nov. 23 with representatives of all the warring factions, and upshot of the session was an agreement that more talks were necessary—no decision to accept the ad hoc concept yet. The participants were: for stations, William Grove, chmn., Hometown Free TV Committee, and his counsel Byron Hirst; for vhf boosters, James Beamer & Jesse Slusser, National TV Repeater Assn.; for CATV, Edward Whitney & E. Stratford Smith, National Community TV Assn.; for translators, Ben Adler, Adler Electronics. Though invited, NAB sent no representative.

Much of the meeting was devoted to a discussion of whether the ad hoc concept is a device to delay CATV-control legislation. The station representatives thought it was, and the CATV spokesman asserted that it wasn't.

CATV microwave grants have been awarded to 3 applicants by FCC following a "pause" of several weeks in which no licenses were approved. They are: Inland Microwave Co. Inc., to carry signals of KOMO-TV, KING-TV & KIRO-TV Seattle and KTNT-TV Tacoma-Seattle to systems in Chelan & Wenatchee, Wash. Tex-Mex Communications, to carry KFDA-TV & KVII Amarillo, Tex. to Tucumcari, N.M. North Canadian Microwave Co., to carry KWTW, WKY-TV & KOTV Oklahoma City to Woodward.

Harry Belafonte and 12 other tenants of an apartment house at 300 West End Ave., N.Y., lost their battle against the idea of elevators watched over by closed-circuit TV (Vol. 15:45 p24), when rent administrator Joseph Goldberg ruled that the building owners could replace manned elevators with electronically guarded ones.

Translator grant: Ch. 79, Milton-Freewater, Ore. to Citizens T. V. Inc., which will rebroadcast KREM-TV (Ch. 2) Spokane.

Translator start: F72AX Tucumcari, N.M. began repeating KFDA-TV Amarillo Oct. 30.

Film & Tape

WAR ON FOREIGN FILM BANS: Under the auspices of the Alliance of Television Film Producers, a TV film export association has been formed in Hollywood to combat the steadily increasing restrictions on U.S.-made telefilms in the foreign market. Such industry leaders as Revue, Four Star, Ziv-TV and Desilu are among those joining in the new move.

The association has named a committee to implement its plans and make surveys of the situation. The course of action to correct the problems will be determined on conclusion of the survey. An Eastern group of TV distributors, tentatively called TV Exporters Inc., is being organized for the same purpose, and it's likely the Hollywood group will seek amalgamation of the 2 organizations in view of their identical aims (Vol. 15:46 p2, 40 p2).

Producers are irked by blocked money, quotas and other forms of restrictions which they feel are unjustly imposed by foreign governments or cartels. Because American producers are looking more & more to the foreign market for additional revenue, the situation has assumed deep importance for them. They consider that Japan, Great Britain and Austria have been particularly harsh in their limitations on U.S. films.

Hero Shortage Is Raising Salaries: Astronomical demands by actors sought for leads in prospective series have stymied progress on a number of pilots being prepared in Hollywood for next season. The shortage of suitable leads for series—because so many actors are already working in or are committed to series—has resulted in soaring prices for those available. Some pilots have been held up as long as 6 weeks by this inability to find the right lead, or having found the actor, by an unwillingness to meet what producers consider to be exorbitant demands.

Some producers we talked to complain that the actors making these demands don't even rate as good supporting players in movies, but aware of the shortage, they're asking hefty participations as well as salaries. One actor with a fair name demanded \$6,500 a week plus 50% of the series. The producer told him to forget it, continued to search elsewhere. He's still looking.

Most producers say they expect to offer participation deals to actors with some stature (such as Henry Fonda has for *The Deputy* and Robert Taylor for his *Detectives* series), but they resist giving such deals to performers with little or no name value. Where the most important element in a production was the story, it's now developing that it's the actor, at least in the pilot stage. While a few companies, such as Warner Bros., don't give participations to actors, they are the exception, not the rule.

State censorship of TV shows originating in N.Y. has been proposed—again—by N.Y. State Assemblyman A. Bruce Manley as a means of gaining "effective control" over moral values in programming. Manley had proposed a similar measure, later defeated in the State Legislature, earlier this year (Vol. 15:4, p16).

CBS Films has acquired TV international distribution rights to the 1960 Olympic Games, for sale in South & Central America and all of Australia, from the 1960 Olympics committee. CBS expects to service these areas with "at least 15 hours of film programming."

Two 60-Mins. Bite Dust: Two 60-min. series, CBS's *The Lineup* and 20th-Century Fox TV's *5 Fingers* (NBC), were cancelled in major program changes last week. Both shows, it might be noted, are in the "violent" category which is attracting so much criticism this season.

Only a few days before, an executive of NBC had notified 20th that *5 Fingers* had been renewed (Vol. 15:47 p12), but his NBC superiors have reversed that decision and decided that the show leave the network in Feb. Meanwhile, replacements for the series are being sought. An NBC executive told us the network considered the show disappointing, not only in ratings, but in quality. Had quality been better, the net might have continued the show. NBC pays 20th \$85,000 an episode for the show, which is not always fully sponsored. 20th has gone over budget in its production of the series and the studio covered production costs exceeding its payment from NBC. Herbert Bayard Swope Jr. is producer of *5 Fingers*.

The Lineup's departure comes as no surprise. It has been beset by behind-the-scenes problems & weak ratings since CBS expanded it into a 60-min. show, after 5 years as a 30-min. series. CBS tried to give *The Lineup* a new look by casting young leading players in the series, but they failed to click. The same new look prompted Tom Tully, co-star with Warner Anderson, to walk out. He refused to drop to what he considered a supporting role. Despite a constant turnover in producers (Vol. 15:47 p12), none could deliver better ratings. The last film will be shot Dec. 8 and the series will leave CBS Jan. 20.

Another wobbly 60-min. entry is Revue's *Riverboat*. When NBC asked Four Star Television to have a 60-min. Western, *Stagecoach West*, ready as a replacement for *Riverboat* Jan. 17, it was told series could not be produced on such brief notice. Revue, which produces *Riverboat*, is preparing the pilot of a 60-min. Western, *Overland Stage*, which may become the replacement. William Bendix stars.

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Guild Films and Hal Roach Jr., along with 2 Cal. banks, were the targets of an injunction issued in N.Y. by U.S. District Judge Sylvester J. Ryan. Guild, Roach and Santa Monica Bank & Southwest Bank of Inglewood had been charged by SEC with selling Guild stock without registering it with the commission. SEC had stated that the Santa Monica bank had approached a N.Y. brokerage firm to sell some 50,000 Guild shares which had been posted by Roach as collateral on a \$120,000 personal loan from the 2 banks. SEC said Roach received the shares last Jan. under an agreement whereby Hal Roach Studios had promised to sell some film properties to Guild in exchange for 400,000 shares of Guild common stock. At the time, Alexander L. Guterma interests had control of Hal Roach Studios. Judge Ryan said the injunction was issued because the bank showed "complete indifference" to the SEC advice and declared its intention to sell the stock as collateral on a defaulted loan.

When Television Producers Guild begins negotiations with telefilm companies for a contract (Vol. 15:47 p12), it will seek no establishment of minimums, no restrictions on working hours—none of the customary working conditions applicable to other guilds. What the producers will ask, however, will be from \$300-\$400 an episode in residuals plus screen credit. About 85% of Hollywood's TV producers are members of the guild. Some own interests in their series, but are joining in the campaign to establish the principle of residuals for producers.

Strike Looms Over Post-1948s: The long-smoldering issue of whether & how Hollywood talent guilds should share in the revenue of post-1948 movies sold to TV may result in a strike that will paralyze movie production at the major studios next year.

The big question had to be faced last week when negotiations between the majors & Writers Guild of America collapsed over that issue (Vol. 15:47 p13). However, while the Writers Guild is dodging a strike for the time being, other guilds aren't apt to share its attitude. What angered them was the statement by Charles S. Boren, exec. vp of Assn. of Motion Picture Producers, that the producers will not make post-1948 payments to any guild or union. While this is not a new stand, guildsmen considered it an unusual way to prepare for upcoming negotiations. (Screen Actors Guild & the majors begin talks Dec. 14, Screen Directors Guild in Feb.) Boren's sharp language rejecting any agreements to give guilds post-1948 payments on free TV or pay TV irritated the guilds considerably, our check disclosed.

SDG exec. secy. Joe Youngerman commented regarding the dictum: "This could certainly wind up in a strike."

No SAG spokesman would comment, but it's known that the Guild is determined to get a post-1948 deal or it will strike. SAG's contract with the majors expires Jan. 31, and it's doubtful actors will continue to work without a contract if no agreement is reached by then.

Strategy of the Writers Guild is to wait until the other guilds get the same formal rejection on the post-1948 issue, and then hope for an all-guild strike against the majors. On another labor front, the Writers Guild was to begin negotiations this week with the Alliance of Television Film Producers, seeking higher minimums & residuals, and separation of rights (for sale to other media).

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U.S. movies are nearly pure, exults the Motion Picture Assn. of America in a statement hailing the 1959 report of the Catholic Legion of Decency, which "did not condemn a single American film." Boasting that the legion found that "85% of Hollywood's films are morally unobjectionable for some age brackets of the American audience," MPA vp Ken Clark said: "The year's increase in the category of partly-objectionable films was less than 1%, according to the report. To be precise, it was only 66/100ths of 1%. This impressive record is, above all, a tribute to the sense of public responsibility of Hollywood producers in making films for Americans and for millions of movie-goers throughout the world." The MPA's self-congratulations weren't seconded by the head of the Catholic bishops committee which supervises the Legion, however. Bishop James A. McNulty of Paterson, N.J. called on Protestant & Jewish groups to join the Legion in its movie clean-up campaign. "It is to be regretted," he said, "that many morally unacceptable films, produced & intended for juvenile audiences, have received the approval of the organized motion picture industry of this country. The advertising of these films can have serious moral effect upon the uniformed & impressionable youth of our land."

Kay Thompson, songstress-creator of the Plaza Hotel's incorrigible *Eloise*, is scheduled to be hostess for the Nov. 30 forum in N.Y. of the Academy of TV Arts & Sciences dealing with the subject of "Music for TV." Other names due: Producer Max Liebman, composer Richard Rodgers, NBC Opera producer Samuel Chotzinoff, and broadcast music specialists Eddy Manson, Roger Englander, Hank Sylvern and Cy Coleman.

HOLLYWOOD ROUNDUP

Warner Bros. has named Boris Ingster producer of *The Alaskans* . . . 20th-Fox TV has signed Maurice Morton as business affairs executive . . . Four Star Television has named Sam Peckinpah producer of its untitled Western series for NBC, starring Brian Keith. Production begins in Dec. . . . Screen Gems has a new series, *Cable: Danger*, to be produced by Howard Leeds and Berne Giler.

Trans-Lux TV Corp. has moved its Western div. offices to a new location at 6253 Hollywood Blvd. Murray Oken, div. mgr., will cover West Coast markets from this location, primarily for T-L's new *Felix the Cat* animation series.

Crosby-Brown Productions has named Peter Robeck, ex-gen. sales mgr. for TV film div., RKO Teleradio, as mgr. of its Eastern office . . . Producer Jack Douglas is negotiating for Ben Hogan to star in *Pro-Am Golf*, series of 52 one-hour matches to be filmed in the 50 states and territories of the U.S. . . . John Beck has left 20th-TV, where he was an executive in business affairs.

Writers Guild of America will name winners of its TV-show contest at a meeting this week (Dec. 2). The winning scripts are to be presented to Screen Gems executives William Dozier, Harry Ackerman and William Sackheim for an anthology series . . . Brad-Jacey Inc.'s *The Brothers Brannagan* is in production at Phoenix, Ariz., for CBS Films.

Desilu Productions plans a new 60-min. series, *Secret Service Agent*, to be produced by Quinn Martin . . . Allied Artists will produce pilots of *Simon Lash* and *Unsolved* for ABC Films. Sidney Salkow will produce the former, Ben Schwalb the latter.

UAA has sold a package of 4 Christmas films in 24 markets in the last 2 weeks. The package contains "A Christmas Carol," starring Alastair Sim; "The Emperor's Nightingale," a cartoon feature, and "Star in the Night" & "Silent Night," both musical shorts. . . . Fremantle International has sold 2 WPIX N.Y. 60-min. documentaries ("The Russian Revolution," and "The Secret Life of Adolf Hitler,") for Mexican telecast.

Half-hour TV film series now number 528, with 24,261 half-hours in the can, reports the 18th edition of *TV Film Source Book—Series, Serials and Packages*, which will be published this week by Broadcast Information Bureau. The new edition (390 pp.) covers 58,383 individual TV & theatrical films, 1,085 video-taped shows.

Independent TV Corp. has taken a step toward full control of production of TV series, as opposed to co-production arrangements. ITC, for "an undisclosed guaranteed sum," has acquired all joint vested interests in *Frontier Correspondent*, starring Burt Douglas & Karl Swenson, from S-P Productions. S-P's principals—Richard Sokolove & Ben Perry—retain a royalty & participation interest in the series. ITC moved into the telefilm field via financing-distribution deals & a buy-out of Television Programs of America, but has lately become more active in direct production through program dirs. Ted Rogers (Hollywood) & Leslie Harris (London).

ABC-TV & Hubbell Robinson Jr. are close to finalizing a deal whereby Robinson will produce two 60-min. filmed dramatic series for the network next season.

NEW YORK ROUNDUP

NBC-TV will finance a 30-min series, *Headquarters*, based on the Quenton Reynolds book about the N.Y. police dept. Franklin Schaffner & Alvin Boretz will produce . . . Warner Bros. has signed Jerry Davis to a TV producer-director-writer contract . . . Goodson-Todman has signed Sid Dorfman & Al Lewis to co-produce, write and direct a new situation comedy series, *One Happy Family*.

CBS & NBC N.Y. exchanged glares last week because of the 33rd annual Macy's Thanksgiving Day parades. NBC-TV, which has carried the event for several years (usually sponsored) suddenly found CBS-TV in the act, with plans for remote coverage and a pair of sponsors signed. "Horning in," snapped NBC. "A public event," replied CBS. Upshot: both carried it. Although ABC-TV was the only network whose N.Y. HQ is on the parade route, ABC officials contented themselves with their ringside seat.

Robert Saudek Associates has signed Hal Holbrook, critically acclaimed as the foremost stage interpreter of Mark Twain, to portray Twain in a 60-min. NBC-TV special next spring. Title: "Roughing It." . . . CBS News correspondent Larry Lesueur has been assigned to reopen the network's Moscow bureau "as soon as possible." Lesueur, a 20-yr. CBS newsman, sailed on a wartime convoy to Murmansk, and was the first regular CBS news correspondent in Russia in 1941.

Edward R. Murrow continues to spend an active sabbatical leave. Due as the 3rd program in the prime-time *CBS Reports* series Dec. 18 (10-11 p.m.) is a 60-min. telefilm portrait of Iran, which Murrow & Winston Burdett will narrate. It will be televised just 4 days after President Eisenhower's upcoming Iranian visit and will interview Shah Mohammed Reza Pahlevi, as well as other Iranians and Americans resident in the oil-rich nation.

NBC-TV will slot *Play Your Hunch* in place of *Treasure Hunt*, which is being dropped as a Mon.-Fri. 10:30-11 a.m. quiz strip Dec. 7. The replacement offers what NBC terms "modest cash prizes" in an audience participation game format. Meanwhile, the network has signed *Treasure Hunt* m.c. Jan Murray to a 2-year contract for "participation in dramatic & comedy specials," and will finance "a comedy pilot starring Murray."

Fremantle International will handle worldwide distribution of the Canadian-British co-production telefilm series, *Royal Canadian Mounted Police*, which is running on CBC currently and is due for telecasting by BBC-TV and the Australian Bestg. Commission. A Spanish version is being dubbed for Latin American TV markets, and the French-language version, televised in Canada, will be distributed to French-speaking TV outlets in Europe.

Jerry Davis has been signed as producer-dir.-writer at Warner Bros. TV div. . . . Maurice Morton has been named business affairs exec. of TCF-TV . . . Arthur Zeiger, ex-ABC-TV business affairs dept., has joined Broadcast Management Inc., talent agents, as asst. to pres. . . . George Gray has been named Northeastern div. mgr. and Bert Weiland Midwestern div. mgr. for ITC . . . Jack Gainey, Ted Rosenberg and Leon Wray have been named Northeast regional sales mgr., Mid-Atlantic regional sales mgr., and Northwestern regional sales mgr., respectively, for NTA.

Television Digest

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Personals: John F. Day promoted to vp for news, CBS News; Robert E. Lang appointed administration vp . . . Robert Milford promoted from CBS-TV program dept. gen. mgr. to new post of network programs dir., N.Y. . . . Jack B. Purcell has been appointed CBS-TV West Coast asst. gen. attorney . . . Mrs. Mary L. McKenna elected Metropolitan Bestg. Corp. vp for research & sales development . . . Charles P. Dwyer, ex-WTVN-TV Columbus, Ohio, named asst. gen. mgr. & national sales mgr., WKRC-TV Cincinnati . . . William Hansen named national & regional sales mgr., Cascade TV (KIMA-TV & KIMA Yakima, Wash. and 3 satellites) . . . Fred Von Stade promoted from account exec. to national sales mgr., WTVN Columbus, Ohio.

Ruth Nace named promotion merchandising mgr. KEYT, Santa Barbara, Cal. . . . M. Peter Katsufakis joins CBS legal dept. in Hollywood, replacing Franklin B. Rohner, who moved over to business affairs. Katsufakis was formerly resident counsel of Pacific Ocean Park, recently sold by CBS . . . John H. Conlin, ex-litigation div. of FCC, named legal asst. to FCC Comr. Frederick W. Ford.

Otto P. Brandt, KING-TV Seattle, elected chmn. of TvB for the coming year, succeeding Roger Clipp., gen. mgr. WFIL-TV Philadelphia. Glenn Marshall Jr., WJXT Jacksonville, Fla., elected secy. (succeeding Brandt) and re-elected a dir. Payson Hall, Meredith Publishing Co., re-elected treas. Dirs. elected for 2 year terms were Gordon Gray, WKTV Utica; Clair McCullough, WGAL-TV Lancaster, Pa.; Richard Borel, WBNS-TV Columbus, Ohio; John Murphy, Crosley; and Donald Kearney, Corinthian.

Marion Stephenson appointed business affairs dir., NBC Radio . . . Raymond S. Guy, senior NBC staff engineer, elected pres. of De Forest Pioneers . . . Harold Essex, vp-gen. mgr., WSJS-TV & WSJS Winston-Salem, promoted to pres. of WSJS licensee Triangle Bestg. Corp., succeeding W. K. Hoyt, retired; Harry Shaw, promoted from sales mgr. to vp for sales, Phil Hedrick promoted from operations mgr. to vp for operations . . . Richard Sinclair, ex-KCOP Los Angeles, named promotion mgr. of KHJ-TV Los Angeles . . . Beverly (Bevo) Middleton, ex-gen. mgr. of radios WUSN Charleston, S.C. & WHKP Henderson, N.C., joins WTOP-TV Washington as merchandising dir.

Edgar F. Vandivere, ex-FCC engineer and ex-partner in firm of Vandivere & Cohen, joins Page Communications Engineers, Washington, as consultant to the research & development dir.

Meetings next week: RTES timebuying-selling seminar (Dec. 8); ITC Chmn. Jack Wrather will speak on British commercial TV; Hotel Lexington, N. Y. . . . Academy of TV Arts & Sciences, Los Angeles, general membership meeting on "Tape vs. Film" (8); Dr. Frank Baxter will moderate; panel: James Schulke, KTLA Los Angeles; Thomas W. Sarnoff, NBC; Sheldon Leonard and Bud Yorkin, producers; Robert Stefan, BBDO; and Robert Day, Ampex; Beverly Hilton Hotel, Beverly Hills, Cal.

California Bcstrs. Assn. has elected William B. Goetze of KFSD San Diego pres., at its meeting in Los Angeles. Other officers elected: Ernest L. Spencer, KWIZ Santa Ana, radio vp; Richard P. Hogue, KXTV Sacramento, TV vp; Alan Lisser, KBIG Avalon, secy.-treas. Louis S. Simon, KPIX-TV San Francisco; Hale Bondurant, KWG Stockton; John T. Reynolds, KHJ-TV Los Angeles were named to the board, as were Hogue and Lisser.

CBS Radio has added 5 affiliates. These are WKNE Keene, N.H. (which disaffiliated from CBS last year); WBRK Pittsfield, Mass.; WKNY Kingston, N.Y.; WKVT Brattleboro, Vt., and KREX Grand Junction, Colo. Two stations are disaffiliating as of Jan. 4, 1960: WBRC Birmingham, Ala., and WPLO Atlanta.

Sixth annual TV-radio scholarship of American Women in Radio & TV, has been announced. Junior women in any of 350 colleges & universities offering a degree or elective major in TV or radio are eligible. The \$1,000 scholarship will be presented at AWRT's 1960 convention.

Elected co-chairmen of TvB's sales advisory committee, at the annual meeting: John Dickinson, Harrington, Righter & Parsons, and H. P. Lasker, Crosley Bestg. Corp. They succeed John Denninger, Blair-TV, and Jay Heiten, WRCA-TV N.Y.

Promotion-minded WJZ-TV has produced a 20-min. color-sound film story on the expansion of the Baltimore market for showing to advertisers & agencies nationally. The film also spotlights WJZ-TV's position in the nation's 12th TV market.

NAB's convention committee, headed by Thomas C. Bostic of KIMA-TV & KIMA Yakima, Wash., and Meredith Stations' Payson Hall, meets Dec. 3 in Washington to develop plans for annual sessions next April 3-7 in Chicago.

Videotape recorder was put into operation Nov. 24 by educational WTTW Chicago.

Obituary

Dr. Lyman Bryson, 71, professor emeritus of education at Columbia U. Teacher's College, died of cancer Nov. 24 in Harkness Pavilion. Dr. Bryson had been education dir. at CBS since 1942, moderator of CBS-TV's *Lamp Unto My Feet* and radio's *Invitation to Learning*. He is survived by his wife, a son and 4 grandchildren.

Clinton R. White, 65, owner of radio WCRW Chicago which he founded in 1926, died Nov. 23 following a heart attack. He received his first radio operator's license in 1915. In recent years he was credited with many electronic innovations, including an instantaneous recording process for transcriptions.

James Broderick, 45, casting director for CBS in Hollywood, died Nov. 21. Surviving are his mother and a sister.

HOTEL-TV FIELD SMALL BUT HUMMING: Business is booming in hotel-motel TV. Ten top concerns in this seemingly small but mushrooming field are racking up gains of 20% to 300% this year over last. All envision a markedly bigger & better 1960.

Exact size, potential and dollar volume of market remain a mystery due to lack of adequate industry information, reluctance of suppliers & installers to release any performance data which might aid & comfort competitors, and general confusion as to the nature & number of hotels & motels worthy of the names. It's a highly secretive industry, one leader told us—an industry in which some operators have been known to realize 1,500% profit on installations.

Only a few of hotel-TV concerns we interviewed would hazard a guess as to number of installations made in 1959—and their estimates ranged from a low of 50,000 to a high of 200,000 sets. Dollar volume of industry in 1959 was estimated at from \$3 million to \$6 million. Exec. vp Arnold Wells of Wells Television Inc. opined that \$5 million would pretty well sum up total 1959 billings for TV sets sold & leased to hotels & motels.

Researched projections for 1960 are similarly hard to come by. Suppliers & installers we interviewed agree 1960 will bring boom business. Many see volume doubling, tripling. Few will trot out projections or estimates. Fortright Emerson Industrial Products Corp. (Emerson Radio), through treas. Morton E. Ornitz, foresees total 1960 sales & leasing of 200,000 TV sets for industry for a \$22.5 million gross.

Market's potential is nearly impossible to chart because of absence of reliable or complete statistics on number of hotel-motel rooms available, rate of new construction, number of rooms now TV-equipped. American Hotel Assn. comprises better than 1/3 of estimated 14,000 U.S. hotels & motels. Its 5,271 members embrace 4,608 hotels with 551,994 rooms, 663 motels with 41,478 rooms. No figures are available on TV installations. However, a TV-industry source, with a major market-research activity, estimates today's market at: 1.5 million hotel rooms with 750,000 TV sets; one million motel rooms with 900,000 TV sets. This same source also estimates that hotel-motel rooms are being added at an annual rate of 500,000, virtually all of which will be TV equipped. Tele-Sound Inc. vp Milton Smith estimates 1.5 million TV-equipped hotel-motel rooms.



Several significant changes have developed in hotel-TV market since our last major survey (Vol. 12:44 p3). Principal one, summed up by Arnold Wells: "The big change is that the hotel-motel industry has accepted TV as a part of the room. The question no longer is whether they'll buy, but when. Today, any hotel that deserves the name has TV." Other changes:

Leasing now the rule. Three years ago there was a decided trend to outright purchase of TV sets by hotels. Today bulk of business is leasing, with supplier providing a complete package of set, installation and service on a 3-4-5 year contract. Typically, one major provides such a package for 22.4¢ per day for a 17-in. set for 3 years; 15.9¢ daily for 5 years. At conclusion of contract period, hotel owns the equipment. Strongly bucking the trend to leasing is Emerson. It has stopped leasing, sells its equipment outright. "There's a heavy turnover in the hotel field," Ornitz explained. "Sometimes our contracts would turn over 3 & 4 times in a 3-year period. It got so we couldn't tell who we were doing business with."

Color sets kaput. So far as hotel TV is concerned, color sets these past 3 years have lost what little ground they had. Nine of 10 concerns we interviewed were emphatic that color has no home in hotel field. Even RCA conceded that color installations are rare, and only in lobbies or lounges. Typically, when RCA installed 534 TV sets this year in new Dallas-Sheraton Hotel, only 7 were color sets. Suppliers agree color TV is defeated by higher cost, tuning problems, frequency & higher cost of service.

Most popular-size TV set is 17-in. table, although Emerson & Master Video Systems Inc. find more demand for 21-in. models. Admiral's Commercial Electronics Div., which entered field 2½ years ago, now claims to be largest supplier, says 17-in. sets are far & away the leaders. RCA and others point out that 17-in. portable has price advantage, fits compact space of hotel room, is easy on maintenance, and can be replaced in seconds without interrupting tenant service.

Replacement market looms. Still waiting to be mined is bonanza replacement market, which is expected to take on significance next year. American Communications Corp. vp Martin A. Lappin told us that, surprisingly, "lodgers take better care of hotel TV sets than they do of their own at home," and that rich replacement market still is several years away. However, consensus is that 1960 will produce brisk replacement business; that after 5 years of hotel service a set is more economically replaced than maintained. Another rich plus is installation & service business, which one major estimated is already at a \$25-million volume.

Product trends noted. Original coin-slot TV set is dead as a dodo in hotel field; lodgers now insist on rooms with TV, expect it to be part of hotel service. Because TV is now a merchandising asset, hotel-motel operators seek more services. Hotel Radio Corp. vp-gen. mgr. H. L. Dawson told us his firm will introduce a "pamper panel" model next year to provide remote tuning. Master Video Systems Inc. treas. R. G. Skinner notes increasing demand for multi-service hotel units to provide TV, radio, background music. "Most of the business now on the books is for these triple-play units," he said. Arnold Wells also reports burgeoning market for the bedside communications center, which may include such plus services as paging, wake-up system.

Our survey covered: Admiral Commercial Electronics Division, American Communications Corp., Emerson Industrial Products Corp., Hotel Radio Corp., Master Video Systems Inc., Radiomatic of America Inc., RCA (both TV div. & RCA Service Co.), Tele-Sound Inc., Tel-Hotel Corp., Wells Television Inc.

TV-RADIO PRODUCTION: EIA statistics for week ended Nov. 20 (46th week of 1959):

	Nov. 13-20	Preceding wk.	1958 wk.	'59 cumulative	'58 cumulative
TV	146,673	149,295	116,530	5,632,374	4,396,138
Total radio	340,249	342,497	390,019	13,779,399	9,983,317
auto radio	75,066	63,166	137,678	4,912,556	3,037,350

STEREO CAMPAIGN BY EIA? A public-relations campaign to help clear up public & dealer confusion about stereo is being considered by EIA's newly organized phonograph section, headed by Pilot Radio vp L. M. Sandwick. If the section agrees on such a drive, it will be formally proposed to EIA's consumer products exec. committee at the manufacturer group's winter conference this week (Dec. 2-4) at Los Angeles' Statler Hilton.

No details of the proposed stereo campaign had been formally determined by the EIA phono manufacturers at press time, but it presumably would be more of an "education" than a "promotion" campaign—on the theory that misunderstanding of stereo is the prime barrier to boom sales of stereophonic instruments.

Highlighting the EIA winter conference will be an address by Dr. William H. Pickering, dir. of Cal. Institute of Technology's jet propulsion lab, covering the role of electronics in the military & civilian space programs. Key sessions will feature reports & discussions on Japanese electronic imports, legislative problems and EIA's activities in Walsh-Healy minimum-wage proceedings.

Latest move in Philco-RCA legal battle: Defendants in Philco's 3-year-old \$150 million anti-trust suit (Vol. 13:3 p2)—RCA, GE, AT&T—have petitioned Philadelphia federal court to throw out most of the damage claims on the basis that they're invalid under the statute of limitations. Philco had charged illegal monopoly in RCA's patent practices. Latest brief by defendants argues that federal & state laws prevent Philco from recovering damages for an event which occurred prior to Jan. 7, 1955. Philco filed its suit Jan. 14, 1957. Judge Thomas J. Clary has been named to preside at the trial—if there is one.

Emerson has received a patent for a system that moves bulk mail through automatic culling, facing and cancelling machines at 30,000 pieces per hour.

Colorful Packard-Bell: Not the least bit unhappy about color TV is Packard-Bell Electronics, which has been manufacturing & marketing color sets in its 14-state Western trading area for 4 years—and is enjoying its best color sales year to date.

Commenting on our recent color-TV roundup (Vol. 15:45 p3), home products vp Kenneth R. Johnson told us Packard-Bell's color set sales have increased 400% in the last year. He attributed the increase to improved color programming. "Available surveys indicate that we are now selling about one-fourth of all color sets sold in our trading area," he said. The company's color sets feature lowboy styling, remote control. Color won't become a major factor in the TV market, Johnson believes, until there's at least 8 hours of network color programming daily.

In total consumer products output—TV, radio & stereo—Packard-Bell continues to report booming business. October was the 2nd best sales month in the company's history and represented a 66% increase over Oct. 1958.

Factory sales of transistors again set a record in Sept.—8,652,526 units—more than double the number sold during the full calendar year of 1955. The units sold in Sept. were valued at \$20,851,290, up from 7,129,696 units at \$18,054,138 in Aug. 1959 and 5,076,443 at \$10,810,412 in Sept. 1958. Total Jan.-Sept. sales were 57,910,513 units at \$154,337,518 vs. 30,387,277 at \$73,230,195 for the same 1958 period and 47,051,000 at \$112,730,000 for all of 1958.

Realignment of RCA's TV-radio-phono operations appears imminent and probably will be announced prior to the Dec. 7 distributors' meeting. Although RCA declined comment, best available information indicates that these now-autonomous activities will be combined into an all-in-one operation, à la GE's new TV-radio div. (Vol. 15:38 p20), under the leadership of RCA Victor home instruments div. vp-gen. mgr. J. S. Belden. Consolidation would be a throwback to RCA's former instruments operation.

Radio Imports Soar: America imported 60% as many radios from Japan as the U.S. electronics industry produced during the first 9 months of 1959. The first 3 quarters saw imports of about 3.9 million radios from Japan, while about 6.8 million sets were produced here during the same period (auto sets excluded).

The 3.9-million figure compares with 1.3 million for the first 9 months of 1958. Of the imports this year, about 2.5 million were radios containing 3 or more transistors. During the 9-month period, more than 1.8 million Japanese transistors were imported (in addition to those in end products), compared with less than 6,000 units in the 1958 period. Other 9-month imports: phonos, 12,200, up from 1,100; vacuum tubes, 4.8 million, up from 606,000.

Complete tables of 9-month imports of electronic products in both unit & dollar volume will be printed in *TELEVISION DIGEST* (to update the tables in Vol. 15:41 p17) as soon as exact figures are available.

Japan's total radio production—for domestic sale & export—is running close to U.S. totals. For the first 9 months of 1959, nearly 6.5 million radios were produced by the Japanese electronics industry, compared with 3 million during the same 1958 period. Production of TV sets for the period was more than double the corresponding 1958 figures—1,972,000 vs. 749,000.

* * *

Two of Japan's 3 largest radio-appliance manufacturers are setting up wholly owned U.S. operations—indicating that their marketing operations here will soon be even more intensive. Matsushita Electric Co., the No. 1 firm in Japanese electric housewares & radios, is establishing Matsushita Electric Corp. of America, to be headed by Benichi Takahashi, now director of Matsushita's Tokyo office. Hitachi, No. 3 in the line-up (Tokyo Shibaura is No. 2), has established subsidiary Hitachi-N.Y. Inc.

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Trade Personals: Robert C. Wilson named gen. mgr., GE radio receiver dept., succeeding W. P. Von Behren, now gen. mgr. of major appliance div. . . . James J. Cunnane, ex-RCA, named products sales mgr., Warwick Corp., succeeding Robert O'Brien, resigned . . . C. R. Joyner, asst. mgr., named mgr. of EIA's marketing data dept., succeeding William F. E. Long, who joins Philco Dec. 7 (Vol. 15:47 p21); Herbert F. Hodge Jr. resigns as mgr. of EIA's office of information, effective early next year, to organize his own PR & publishing firm in the Washington area.

W. V. George promoted from asst. gen. mgr. to gen. mgr., Canadian Marconi Co., Montreal, succeeded by L. M. Daley, bcst. & TV receiver div. mgr. George will assume some of the duties previously held by Pres. Stuart M. Finlayson. T. P. Kelly, former bcst. & TV receiver div. sales mgr., will succeed Daley . . . Charles D. Manhart, ex-Raytheon, appointed Daystrom vp.

Philip D. Reed, former GE chmn., retires as a GE dir., finance committee chmn. and consultant to board Chmn. Ralph J. Cordiner . . . Curtis A. Haines named facilities & manufacturing planning vp, Sylvania Electronic Systems . . . Earnest F. Tonsmeire named controller of Raytheon receiving tube div. . . . Steve Manning, ex-Pacific Semiconductors, appointed mgr. of General Instrument Corp.'s West Coast sales engineering office . . . Fred D. Wilson, ex-DuKane Corp. commercial sound div. gen. mgr., appointed asst. to the pres., Rauland-Borg . . . Haskel A. Blair named University Loudspeakers pres., succeeding Sidney Levy, who continues as exec. vp & engineering dir.

POWER FROM NOISE: Along comes a new type of semiconductor which its developers claim can harness noise—either the audible or the undesirable electrical type—to produce substantial amounts of power. An example of the type of product being developed from this newly invented device: A 24-in. TV set which could sell for “substantially less” than present types, using less than the 1½ watts needed to drive a Christmas tree light.

Responsible for the device is tiny Electronics Development Inc., Tampa, Fla., with an executive & research staff of 2—Pres. & research dir. Eugene A. Russell and lab chief Everett A. Duncan. They didn't even bother to give their semiconductor device a fancy name—merely calling it an “electro-chemical unit.”

About the size of a cigaret pack, the unit is easy & inexpensive to build and substitutes for electron tubes or transistors in amplifier circuits. As its inventors explained to us, it obtains its amplification factor from noise—noise being defined as “energy given off by the motion of any particle.” This can be unwanted electrical noise, a 60-cycle hum or the audio signal itself. The semiconductor elements give off no heat, and, unlike transistors, are completely insensitive to heat.

Other aspects of the noise amplifier, as described to us by Russell & Duncan:

The equivalent of a 6-tube amplifier circuit can be developed using one or 2 of the semiconductor elements. A 5-lb. audio amplifier was demonstrated to the press Nov. 27, producing 250 watts from the output of a music tape. The system “could be used to light up a whole city.”

The noise-operated TV under development would require only enough external power to operate a tiny transistorized power supply whose function would be to supply a slight bias voltage. Power output of the electro-chemical units would be adequate to operate a 24-in. picture tube.

Elements developed so far supply energy from sound & noise sources ranging from 20 cycles to 100 kc.

The principle was discovered 10 months ago, according to its developers, during an attempt to devise a single-cabinet stereo system using the time-delay principle to give the impression of widespread speaker separation. The company has applied for 17 patents and will seek many more during the next year.

Russell says the company will make a line of amplifiers using the principle next year—including both stereo sound & power amplifiers. The firm intends to produce the semiconductor units and license others to make them. It also is negotiating with the Air Force for a missile electronics contract using the elements.

Because of the newness of the development (it was announced for the first time just before we went to press), it was impossible to obtain comments or evaluation from industry engineers. They haven't seen it yet.

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“Check-price” system on Japanese radio exports will not be eliminated Jan. 1 as reported here last week (Vol. 15:47 p19). Best information indicates that the Japanese govt. is still studying the whole check-price issue. Our source of information for the item last week was in error.

Obituary

George T. Bean, 74, prominent N.Y. patent attorney who once was mgr. of the patent dept. of the old Victor Talking Machine Co., died Nov. 25 in Summit, N.J. He is survived by his wife, Elizabeth, 2 sons and 6 grandchildren.

Finance

Ampex Splits Again: Ampex Corp., the burgeoning magnetic-recording firm which startled the TV industry in 1956 with the unheralded announcement that it had developed a practical TV tape recorder (Vol. 12:15 p4)—and then proceeded to prove that it really had something—is getting ready for its 2nd stock split in 2 years. The directors approved a 3-for-1 distribution, subject to a stockholder vote next Jan. 25.

Although it's never paid a dividend, the stock of this TV-electronics glamour company has climbed almost steadily since 1956. In the summer of 1958, it split 2½ for 1. On the basis of its present number of outstanding shares, its trading range during 1955 was the equivalent of 5¾ to 8, rising in 1956 (the year of the introduction of the Videotape recorder) to a high of 17¼, its high last year being 19¾. Nevertheless, its biggest climb came this year. Following the announcement of the proposed split, Ampex closed Nov. 24 on the N.Y. Stock Exchange at 136⅞, up 1½ for the day.

Ampex's net earnings for the fiscal year ended April 30, 1959 totaled \$2.85 million on sales of \$43.8 million, and the company expects earnings of close to \$4 million on \$60 million sales for fiscal 1960.

Litton Industries Inc. scored healthy gains in sales & earnings in fiscal 1960's first quarter, ended Oct. 31, Chmn. Charles B. Thornton reported to the Cal. concern's annual meeting last week. Litton stockholders approved an increase in authorized common to 7 million from 5.5 million shares, paving the way for a 2-for-1 stock split voted by the concern's directors in Aug. The split will apply to stock of record Dec. 4, the company said, and new shares will be issued before Christmas. For the first quarter ended Oct. 31:

	1959	1958
Sales	\$36,400,000	\$27,079,000
Net income	1,537,000	1,136,000
Earned per share	82¢	64¢
Shares outstanding	1,835,000	1,714,097

Houston Fearless Corp. has acquired Boston-based electronic-components maker Federal Machine Tool Co. for an undisclosed amount of common stock, it was announced recently. Federal employs some 150 persons in 3 plants, has a current annual sales rate of \$2 million. Houston Fearless, L.A. producer of film processing systems & audio-film equipment for the motion picture & TV industries, said Federal will be operated as a division, under the presidency of Federal Pres. Frank Nichol.

Eitel-McCullough, in a report filed with SEC, notes a large increase in net profit in the 8 months ended Aug. 31:

	1959	1958
Net sales	\$15,927,273	\$9,635,018
Net profit	792,363	5,383
Earned per share	48¢	1¢
Shares outstanding	1,650,542	825,271

National Union Electric, for 9 months ended Sept. 30, reports net income of \$520,609 (30¢ a share), excluding a special charge of \$390,000 (22¢ a share) for adjustment of contract settlement costs, compared with \$280,936 (16¢) net income during the first 9 months of 1958.

Barnes Engineering Co., for 3 months ended Sept. 30, reports net profit of \$77,484 (24¢ a share) vs. \$40,765 (13¢) for the same 1958 period.

Clevite Corp. will continue to emphasize quarterly dividend payments at a set rate to stockholders rather than year-end extras, Pres. William G. Laffer told the Cleveland Society of Security Analysts. Noting that Clevite recently "evened out" its quarterly rate, raised its dividend to 30¢ from 25¢ in the June quarter, Laffer said: "I do not expect our board will be declaring extra dividends at the end of each year as we did for a time. When we feel we can move to a higher quarterly payment and hold it, we will do so." He anticipates record sales & earnings this year. Sales are expected to top \$82 million, compared with last year's \$63.4 million & 1956's record \$73.6 million. He foresees "something over \$3 a share in net profit" for 1959, compared with 1958's \$1.60 & 1956's record \$2.54. Laffer noted that more than one-third of the 1959 sales will be in electronics; that R&D activities in its electronics operation have been running at about 10% of sales; that more than half of 1959 sales will come from products Clevite did not have 10 years ago.

Philco resumed payment of cash dividends with the declaration last week of 25¢ payable Dec. 18—the first cash distribution since Sept. 1956. The company has paid 4 stock dividends since 1956. The board deferred consideration of future dividend policy "until the cash requirements of Philco's expanding activity in electronics can be more definitely determined." Pres. James M. Skinner Jr. estimated that 1959 earnings would be more than \$1.50 a share, compared with 61¢ (2,874,000) last year. The 1960 outlook, he said, "indicates substantial increases in the company's govt., transistor & computer business, requiring further investment in plant & equipment. Further improvement in consumer goods volume is also anticipated—subject, however, to the final effects of the steel situation, particularly in the early months of the year." Also announced last week was an Air Force award of a \$6,627,092 contract to Philco for work on the "Aircom" global communications network.

General Precision Inc. is the new electronics subsidiary of General Precision Equipment Corp., a consolidation of the 4 subsidiaries which do nearly 90% of GPE's total business. The 4 former subsidiaries are General Precision Lab, Kearfott Co., Librascope and Link Aviation, now operating as divisions of the new GPI. GPE Chmn. J. W. Murray & Pres. D. W. Smith of GPE hold the same positions in GPI. Murray said last week that sales of the 4 divisions this year will total about \$177.3 million—about 75% of it military. He said all GPE companies should equal or surpass \$200 million in 1960. There have been no proposals of a merger with Martin Co., he added, but Martin has acquired between 11% & 12% of GPE stock on the open market and there have been discussions of Martin representation on the GPE board.

Consolidated Electrodynamics Corp. would operate as a subsidiary of Bell & Howell under the terms of the merger agreement formally approved last week by directors of both companies (Vol. 15:44 p23). Subject to vote by stockholders of both companies Jan. 12, Bell & Howell would issue 3 additional common shares for each 4 shares now held and Consolidated shareholders would receive one Bell & Howell common share for each Consolidated share held. Consolidated Pres. Philip S. Fogg would continue as pres. & chief exec. officer of the subsidiary. Three Consolidated directors have been nominated for the Bell & Howell board—Fogg and Dr. Robert F. Bacher & Dr. Frederick C. Lindvall, both of Cal. Institute of Technology.

Loew's Inc. rebounded from 1958's losses to rack up a resounding \$7.7 million profit in the fiscal year ended Aug. 31, 1959, Pres. Joseph R. Vogel reported last week. He said that the movie-maker's uptrend "is continuing strongly in the current fiscal year." Stepped-up revenue from TV contributed to the profit turnabout. Vogel noted that under contracts existing on Aug. 31, Loew's Inc. has about \$31,218,000 remaining to be earned from the licensing of pre-1949 motion pictures to TV. He forecast that the current fiscal year, ending Aug. 31, 1960, will be another "peak year" for TV rentals, that income from this source will peak in 1961 and decline each year thereafter. Gross income since the start of the TV licensing program has amounted to more than \$25 million. For the fiscal year ended Aug. 31, 1959:

	1959	1958
Total income	\$130,970,376	\$112,320,958
Net income (loss in 1958)	7,698,951	(1,195,862)
Earned per share	2.91	—
Shares outstanding	2,641,288	2,668,388

Paramount Pictures' consolidated net income from operations dropped slightly in the 3rd quarter and 9 months ended Oct. 3. During the quarter, a special income of \$198,000 from installment sales of films increased the total net income to \$1,349,000 (79¢ a share) compared with the year-ago quarter's \$2,955,000 special & \$4,197,000 (\$2.33) total income. For 9 months, special & total incomes were \$2,965,000 & \$6,609,000 (\$3.88) vs. \$10,662,000 & \$14,469,000 (\$8.04) for 1958's first 3 quarters. For 9 months ended Oct. 3:

	1959	1958
Net income from operations	\$3,644,000	\$3,807,000
Earned per share	2.14	2.11
Shares outstanding	1,703,927	1,799,116
For the quarter ended Oct. 3:		
Net income from operations	\$1,151,000	\$1,242,000
Earned per share	68¢	69¢

Desilu Productions Inc. net income for the 6-month period ended Oct. 31 was \$507,108, as compared with \$75,234 for the 24 weeks ended Oct. 18, 1958. This is reflected in earnings per share, which rose to 44¢ from 22¢ for all of last fiscal year. Pres. Desi Arnaz said gross income of \$10,717,953 represented a 30% increase over the same period of last year. Since the last interim report was issued, Desilu has been renting space to *Pony Express*, *Miami Undercover* and some segments of *The Red Skelton Show*. The company also has made interim commitments with networks & syndicators for new pilots, Arnaz added. He made no mention of overtures by NT&T to buy controlling stock of Desilu (Vol. 15:45 p16, 46 p16), but did say that Desilu had recently finished a \$150,000 expansion program at its Culver City lot.

Paced by rising broadcasting income, AB-PT's 4th-quarter earnings will show "a substantial increase," Pres. Leonard Goldenson told a special stockholder meeting in N.Y. last week. He noted that the company's theater business should also show an increase over 1958. The ABC network, he added, has committed more than \$70 million to programming this year, and its gross time billings will have increased about 21% for all of 1959. He predicted that "international TV should become a working reality in the next 5 or 10 years, possibly through the use of [space] satellites," and stated that AB-PT expects to increase its investments in foreign TV operations. Stockholders approved stock options on 350,000 shares of common for key executives & employees (Vol. 15:43 p19).

Warner Bros. Pictures bounced back from 1958's \$1 million loss with a \$15.8 million net income for the 1959 fiscal year ended Aug. 31. The 1959 income includes a \$6.5 million profit (\$4.10 a share) from the sale of the company's ranch. The 1958 loss included provision of \$3 million for an estimated loss on advances to independent producers. For the fiscal year ended Aug. 31:

	1959	1958
Film rentals & sales	\$85,387,000	\$68,323,000
Net income (loss in '58) .	15,875,000	(1,023,000)
Earned per share	10.01	—
Shares outstanding	1,595,196	1,745,196

Stock of the Outlet Co., Providence, R.I., dept. store which owns WJAR-TV & WJAR, will be re-listed on the N.Y. Stock Exchange Mon. Nov. 30. Trading was suspended March 2 because too few shares remained in public hands following deposit of most of the shares under a purchase offer by the 91065 Corp., owned by William Zeckendorf & John C. Mullins. After losing a legal challenge by station mgr. Joseph S. (Dody) Sinclair, 91065 returned the shares to the original stockholders (Vol. 15:45 p12).

WJR The Goodwill Station Inc. (WJRT Flint & radio WJR Detroit) reports decreased earnings on higher sales for the first 9 months of 1959 as compared with the same 1958 period. For 9 months to Sept. 30:

	1959	1958
Revenues	\$2,914,779	\$2,352,012
Net earnings	199,131	254,238
Earned per share	33¢	44¢
Shares outstanding	602,764	572,552

Trading in MCA shares began last week on the N.Y. Stock Exchange. Symbol: MCA.

Wometco Enterprises has purchased Great Southern Vending Co., Jacksonville.

AMP Inc. (solderless terminals, components) is now traded on N.Y. Stock Exchange. Symbol: AMP.

Reports & Comments Available: RCA and GE, reports, Pershing & Co., 120 Broadway, N.Y. 5 . . . Standard Coil Products, comments, Montgomery, Scott & Co., 120 Broadway, N.Y. 5 . . . Time Inc., discussion, Loewi & Co., 225 E. Mason St., Milwaukee 2 . . . Walt Disney, report, W. E. Hutton & Co., 14 Wall St., N.Y. 5.

Common Stock Dividends

Corporation	Period	Amt.	Payable	Stk. of Record
Amphenol-Borg	—	\$0.35	Dec. 30	Dec. 16
Bendix Aviation	Q	.60	Dec. 29	Dec. 7
Bendix Aviation	Stk.	5%	Jan. 22	Dec. 7
British Industries	Q	.12½	Dec. 21	Dec. 11
British Industries	Ex.	.12½	Dec. 21	Dec. 11
British Industries	Stk.	2%	Dec. 21	Dec. 11
Cornell-Dubilier	—	.05	Dec. 31	Dec. 16
GE	—	.50	Jan. 25	Dec. 18
Mallory (P.R.)	Q	.50	Feb. 1	Jan. 15
National Co.	Stk.	2%	Dec. 22	Dec. 11
National Co.	Stk. Ex.	1%	Dec. 22	Dec. 11
Paramount Pictures ..	Q	.50	Dec. 21	Dec. 4
Philco	—	.25	Dec. 18	Dec. 7
Radio Condenser	—	.05	Dec. 21	Dec. 1
Radio Condenser	Ex.	.05	Dec. 21	Dec. 1
Sprague Electric	Q	.30	Dec. 14	Nov. 27
Sprague Electric	Stk.	2%	Dec. 14	Nov. 27
Time Inc.	—	1.00	Dec. 10	Nov. 27
Warner Bros.	—	.30	Feb. 5	Jan. 15
Wells-Gardner	—	.30	Dec. 15	Dec. 1
Wells-Gardner	Ex.	.20	Dec. 15	Dec. 1