

**THE
AUTHORITATIVE**
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

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Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — January 4, 1958

WEEKLY MARKET CLOSING quotation on 100-odd selected common stocks to be published as regular Television Digest feature (pp. 1 & 14).

SOME PROPHETIC QUOTES on TV's future as evaluated 10 years ago when NBC exec. v.p. Frank Mullen saw it as "shock absorber" for our national economy (p. 1).

PREDICTIONS FOR 1958 again attempted by Television Digest editors, seeking to maintain last year's batting average (pp. 2 & 11).

DOZEN NEW STATIONS due by spring; not as many starters foreseen in 1958 as the 40 of 1957 (p. 6). List of new 1957 stations and 13 that quit (p. 7).

RADIO EARNINGS in 1956, reported officially by FCC, show big increase in station profits, sharp drop in network earnings (p. 9).

Manufacturing-Distribution

1958 TRADE OUTLOOK is for early softness, followed by substantial rise, TV production of 6,500,000, retail sales of 6,700,000 (p. 11).

DON'T LOOK FOR TV DUMPS at Winter Market; makers putting chips on features, not price as drop-in lines show in Chicago (p. 11).

NEW COLOR PUSH kicked off by RCA with long trade on 11 models; \$399 set offered in Philadelphia (p. 12).

OLYMPIC INTO TAPE recorders, sees stereo coming fast, will have stereo disc player as soon as cartridge is available (p. 13).

ELECTRONICS PRODUCTION of \$7.35 billion is foreseen by Commerce Secy. Weeks; TV-radio & related equipment to rise slightly to \$1.47 billion in 1958 (p. 13).

A NEW SERVICE FOR OUR READERS: With this issue (p. 14) we begin a new service which we have determined many of our subscribers will welcome. Week's closing New York and American Stock Exchange and Over-the-Counter quotations on some 100 common stocks in our field of circulation -- i.e., TV-radio-hi-fi, amusements, electronics -- will be published along with highs & lows for year and dividends paid. Rudd, Brod & Co. will supply the figures off its wires after markets close. Since we go to press Friday nights, mail Saturdays, reach many subscribers Sundays (via special delivery), most of them Mondays, the tabulations should provide a ready reference -- especially for our readers in cities where newspapers don't carry very complete market listings. We are reporting only on stocks within the scope of our readership. This is the most complete (and, we believe, most accurate) such specialized tabulation available.

Note: Another new feature started last week -- "Do You Know That..." (p. 14) -- will carry on with stories about unusual backgrounds, achievements, hobbies, etc. of people in TV-radio and related communications and electronics fields. We already have quite a store of items we think will interest you no less than did our report that several score ex-FBI agents are now in these fields. Just to give you an idea: We've discovered quite a number of athletic greats, including football All-Americans, several war heroes, even some sleight-of-hand hobbyists who may now be co-workers or industry colleagues whose attainments you didn't know. As we publish these items, some ideas about others may occur to you; we'll welcome suggestions.

WHY THEY'RE SHOOTING THE WORKS: Now that the season for New Year prophecies is about over (see ours on p. 2), we'd like to hark back to a report carried in these columns just a bit over a decade ago under exactly the same foregoing caption (Vol. 3:46). It may bring a chuckle to the old-timers of the business and should be a revelatory bit of history to the younger generation of TV-radio executives.

It dates about month before an ardent and personable young New Dealer named Wayne Coy was chosen by President Truman to become chairman of the FCC to follow the highly successful term of Charles R. Denny, at the same time that chief engineer George E. Sterling was elevated to commissioner to succeed the popular Jack Jett. And at CBS, a young man named Frank Stanton had recently been moved up to president.

GE was announcing a super-doooper 10-in. table model TV with AM-FM for \$465 plus \$75 installation-warranty, and was seriously considering breaking away from RMA's 10-in. standard during 1948 and going to 12 & 15-in.

Big radio sponsor General Foods had probed TV, found it good, and released survey by Young & Rubicam's Bill Forbes and Peter Langhoff with Benton & Bowles' Walter Craig and Charles Pooler, which in essence found that TV reaches a selective, interested, higher-than-average income audience; provokes favorable reaction to commercials (68-84% sponsor identification on a one-shot program); affords opportunity to demonstrate products, "with attendant high impact of sight plus sound."

* * * *

At TV-crusading RCA-NBC it was ordered that, like any other business, telecasting must sooner or later stand on its own fiscal feet, and our story of Nov. 15, 1947 related that their "brain-trusters had worked out schedules of cost, income, depreciation, losses, break-even point, profit point -- all still a company secret [and] containing some astonishing figures..." The story continued:

"No. 1 man at NBC's TV operations, executive v.p. Frank E. Mullen, at New York seminar this week did venture a few observations worth recording: That the radio industry accounts today for \$1.5 billion in the American economy. That 'within a short span of time' TV should run \$6 billion, employ 250,000 more persons -- indeed may well be the 'shock absorber' for our national economy [shades of Wrede Petersmeyer; Vol. 13:47] in the coming years. That by end of 1949, there will be 2,000,000 sets in area 'above a line drawn on the map from Washington, D.C. to St. Louis.'

"Mullen's spoken and unspoken figures may rise one day to plague him; on the other hand, he may point to them with as much pride as Owen Young and David Sarnoff can point to predicted and unpredicted radio broadcasting revenue figures since NBC was established in 1926. All TV calculations could be upset by incalculables -- such as a depression or recession (anybody's guess); undue governmental interference (not yet manifest); failure of public to take to TV (unlikely); unwillingness to purchase receiving sets at present high prices (supply and demand about equal right now); venture capital discouraged over prospect of long-haul deficit operation of telecasting stations (possible though not probable, if NBC's estimates for its own stations turn out to be correct)."

Note: Since commercial TV began, something like \$6 billion has been spent by advertisers for time, talent & production; about \$9.2 billion has been spent by the public for nearly 56,000,000 TV sets, not counting service & repair. And at least \$150,000,000 has been spent on station construction and plant. TV advertising ran about \$1.3 billion in 1957, when some 6,500,000 sets were sold for about \$1.2 billion and when 40 new stations were built at a cost of approximately \$10,000,000.

THE DIGEST'S ANNUAL CRYSTAL-GAZING STINT: We hope you'll forgive us for being a mite tickled with our predictions of last year (Vol. 12:52), because our batting average was best yet in our many years of neck-sticking-out -- and many of the prognostications constituted some pretty precarious dangling on limb ends. At any rate, here goes another whirl at it for 1958, in major areas of interest (for our soothsaying in the area of manufacturing-distribution, see Trade Report, p. 11):

Federal Communications Commission: With Chairman Doerfer a real believer in letting industry fight own economic battles without FCC intervention, he'll push every technique for keeping Commission out of competitive squabbles. Matter of fact, Congress' Moulder subcommittee, instead of finding skeletons in Commission closet, may well end up helping FCC get rid of "economic protest" albatross. Moulder group won't

find any sensations, any big payoffs, etc. -- but it will continue to be source of irritation as it explores FCC hotel bills paid by trade assns., etc.

Subscription TV: If on-air tests begin at all this year, they will be very small-scale, inconclusive, starting late in year. FCC will be reluctant to act on applications while issue is subject of Congressional scrutiny. More vocal opposition to fee TV will crystalize on Capitol Hill after Jan. 14-16 House Commerce Committee hearings (Vol. 13:52), which will get heavy newspaper publicity. Though more law-makers will join Reps. Harris (D-Ark.) & Celler (D-N.Y.) and Sen. Thurmond (D-S.C.) in crusading against subscription TV, odds are against passage of "thou-shalt-not" legislation. Meanwhile, a few more theatre owners and community antenna operators will try wired pay-TV operations a la Bartlesville, without conclusive results in 1958. Baseball season will come and go without tollvision systems on either coast.

Network Practices: Changes in network regulations, either by FCC or Congress, are not likely this year -- though Barrow report will become even hotter battleground than it was last year. Best guess as to FCC timing: It will ask for comments on Barrow report proposals in Feb. or March, final deadline coming late summer or early fall. Commission will still be sifting through morass of paper at year's end. Appearing before Congressional committees, FCC most likely will beg off important legislative recommendations on network rules until comments have been studied. There will be unsuccessful efforts in Congress to enact legislation to carry out Barrow recommendations without waiting for Commission's opinions.

Networks and their affiliates will continue strong silent campaign against some Barrow recommendations -- particularly on option time and multiple ownership. In reappraising their own business practices, it's possible that CBS & NBC will voluntarily drop their spot sales organizations and modify "must buy" provisions -- but they'll put up unyielding fight to save option time. FCC's Office of Network Study won't issue its half-promised report on programming in 1958.

New TV Stations: 1957 saw exactly 40 station starters -- and it's quite gratifying to recall that in this column at the end of 1956 we stated, "We expect about 40 to start operating in 1957." This compared with 45 in 1956 and 59 in 1955. Canada had 10 starters during year. Of the 40 starters, 7 were uhf, 5 were satellites and 6 were educationals -- all listed on p. 7. List also includes 3 uhf that had previously quit the air but resumed operations; also listed are the 13 "fatalities" of 1957, all uhf. There won't be as many as 40 new station starters in 1958, albeit 191 CPs are outstanding (137 of them uhf) and 121 applications are pending (31 uhf). [For new stations due on air by spring, see story on p. 6.]

Justice Dept.: Possibility of major anti-trust action against networks can't be dismissed, particularly with Rep. Celler's Judiciary Committee keeping sharp eye on Dept.'s progress with its TV inquiries. Justice currently is studying Barrow report, has completed 3-year probe of network activities in programming field. This is most likely area for any govt. legal action, though there's no certainty that Justice Dept. will decide to file suit. Pending "block-booking" civil suit against feature film distributors to TV most likely will be settled in 1958, and there's good chance that Govt.'s patent-pool suit against RCA will never come to trial. Also in patent field, there may be indictments this year in alleged "world radio-electronics cartel."

Allocations: Good chance Govt. will see good sense in long-range study of entire spectrum, cooperate in start of a several-years project of tremendous importance. This would color FCC's consideration of all allocations proceedings -- TV, radio, microwave, everything -- very likely induce go-slow attitude toward final decisions. In TV, no substantial changes in 1958. By June 30, TASO will submit to FCC the finest collection of technical TV data yet assembled -- and FCC will study it.

Federal Trade Commission: No let-up in campaign by FTC's special monitoring unit against fraudulent TV-radio commercials. Number of formal complaints against adver-

tisers will increase. Broadcast claims for medicinal preparations and toiletries will get increasing critical attention from FTC policemen. FTC had hoped that awareness that FTC unit was looking & listening would encourage offending advertisers to use more restraint on air -- but FTC says this isn't happening.

Educational TV: Addition of new non-commercial stations will continue same slow-&-steady pattern of last 4 years. To the 28 now on air will be added a maximum of 15 new ones -- more likely 10, which will still be record number to begin telecasting in single year. Last year saw 6 new educational starters. Stations will continue to increase programming hours, and educational TV's 12-15,000,000 audience will continue to grow as programming quality increases. Educational and public service programming on commercial outlets will again hit a new high in 1958.

Closed-circuit TV in education graduated from "experimental" stage in 1957, with about 200 schools and institutions now using it on regular basis. This year will see 100 more institutions adopt TV for teaching. Closed-circuit teaching will be extended to entire public school system of Washington County, Md., by next Sept., bringing picture-tube learning to 18,000 pupils in the 48 schools there.

Programs: Pendulum will swing again toward increase in live shows, more 60-min. film and live dramas, more "specials," with no let-up in filmed westerns for 1958-59. Critics will continue to moan, viewers will continue to watch in record numbers. Video tape will be put into widespread use by networks and stations, beginning in spring, completely replacing kines at networks and metropolitan stations. In almost all important standard time areas, daylight time differential will be wiped out this spring and summer via taped repeats.

Movies & TV Film: Relatively few post-1948 features will find their way to TV during 1958, movie producers choosing to wait at least another year to soothe ruffled exhibitors and to see which way the fee-TV dust settles. Pre-1948 backlogs will still be adequate for stations and will continue to be very popular fare. Movie majors will continue to step up their TV activities as trend to fewer and bigger film companies continues among the independents. As with theatrical film distributors, some TV film companies will be looking to foreign market as their profit margin.

Industrial TV: Though sales of closed-circuit equipment to industry, commerce and education will again double this year, major breakthrough is not in cards for '58. Equipment sales in 1957 totaled about \$5,500,000 (more than double 1956 figure), and 1958 is expected to see somewhat less than \$10,000,000 worth of equipment sold -- impressive in terms of percentage gain, but an indication that most potential users still must be sold on the almost limitless possibilities of non-broadcast TV.

Community Antennas: Continued modest increases in number of systems and in customers per system. Final FCC & court actions on unauthorized vhf boosters, likely this year, will have substantial effect. If such boosters were wiped out, CATV systems would burgeon. But some sort of booster seems bound to continue -- so little impact on CATV is expected. There's strong probability several large systems will become ready-made "Bartlesvilles" -- starting first-run movie distribution.

Subliminal advertising technique (Vol. 13:45 et seq.) will be demonstrated to FCC and members of Congress Jan. 13 in Washington by Subliminal Projection Co., N. Y., at request of Commission. Using closed-circuit facilities offered by WTOP-TV, demonstration for Commissioners & Congressmen will be held at 11 a.m., for local press at noon at WTOP-TV studios.

GPL's closed-circuit sales for 1957 were 5 times those of 1956, v.p. Blair Foulds reports. "Particularly pleasing," he states, "is the almost phenomenal growth of interest in the use of closed-circuit TV for teaching. We believe that it is assuming a vital role in the fight to expand education in the face of a teacher shortage."

Closed-circuit TV, part free, part fee, is proposed by Hallamore Electronics pres. Lloyd Hallamore, suggesting formation of regional pay-TV networks. Plan disclosed in interview with *Electronic News* would have local operators sending free TV, with commercials, during daytime--then cutting into central station at night for pay-TV first-run movies, fights, ball games, etc.

Westinghouse stations' second "Conference on Local Public Service Programming" will be held in Baltimore March 5-8 under direction of programming v.p. Richard M. Pack. Agenda is to include subjects not covered during last year's highly successful Boston session (Vol. 13:9); attendance of 200 is expected.

Personal Notes: George D. Matson promoted from NBC controller to v.p. & treas., replacing Earl Rettig, now pres. of Cal. National Productions Inc. (Vol. 13:50); Aaron Rubin advances to NBC controller . . . Harold C. Lang promoted from asst. treas. of CBS Inc. to controller . . . Leonard Kapner, from radio station WCAE, will be exec. v.p. of upcoming WTAE, McKeesport-Pittsburgh (Ch. 4), planning start next Sept.; Alan Trench, from WCAE, sales mgr.; David Murray, ex-KMGM-TV, Minneapolis, program mgr.; James H. Greenwood, WCAE, chief engineer; James Gormly, WCAE, business mgr. . . . John M. Outler, retiring as gen. mgr. of WSB-TV & WSB, Atlanta, after 25 years in broadcasting, honored at testimonial banquet by associates who presented him with 14-ft. cruiser . . . George Arnold, from radio KCBS, San Francisco, appointed sales development mgr. of CBS Radio Spot Sales . . . Jack Benson promoted to employment mgr. of ABC personnel dept. . . . Robert J. Reardon, from NBC Spot Sales, Chicago, named sales director of WNBC, New Britain-Hartford . . . Leonard C. Nachbar promoted to business mgr. of WTCN-TV & WTCN, Minneapolis-St. Paul . . . Burt Kleiner of Cantor, Fitzgerald & Co. (investments), and Wm. H. Hudson, independent oil producer, elected NTA directors to replace B. Gerald Cantor & Jack M. Ostrow, resigned . . . Pete Rodgers promoted to west coast sales mgr. of NTA . . . Thomas J. Dougherty, ex-Dow, Lohnes & Albertson, Washington law firm, named legal asst. to FCC Comr. Robert E. Lee, David C. Williams shifting to full time on Conelrad under Comr. Lee . . . Peter B. James, ex-Weed, ex-gen. mgr. of WJAS-TV, Providence, on Jan. 2 joined WRC-TV, Washington, as sales mgr., succeeding Charles M. DeLozier, resigned to

open own adv. agency . . . Paul A. O'Bryan, partner of Dow, Lohnes & Albertson law firm, named to board of associates of Iowa Wesleyan College, Mt. Pleasant, Ia., headed by George Morrell, of Morrell Packing Co. . . . George H. Buschmann, ex-Covington & Burling, Washington law firm, joins Radio Cincinnati (Taft) home office, Cincinnati, as exec. asst. . . . Richard A. J. McKinney, ex-WTVN-TV, Columbus, named film director of KYW-TV, Cleveland . . . Louis R. Draughon, pres. of WSIX-TV, Nashville, back at work after recovering from auto crash at Nashville airport Aug. 1 in which he suffered multiple fractures and his Washington counsel, Stephen Tuhy Jr., was badly shaken up . . . Stanley Wilson promoted to v.p., Texas State Network, and gen. mgr. of KFJZ-TV, Ft. Worth, while v.p. Charles Jordan now heads radio KFJZ—both reporting to Gene L. Cagle . . . Edward R. Eadeh, consultant to FCC network study staff since 1955, joins rep Weed as research director . . . Robert Lambe, gen. sales mgr. of WTAR-TV, Norfolk, promoted to v.p. for sales; John C. Peffer, asst. gen. mgr., to v.p. for operations . . . Mary Warren promoted to program director of KCOP, Los Angeles . . . David Heilwell, TV-movie producer, joins MGM as asst. to Sam Marx, exec. producer of its TV div. . . . George Skinner joins rep Katz as full-time radio program consultant after many years as independent consultant & packager . . . Arthur C. Stringer, Chicago office mgr. of Blair TV Assoc., appointed a v.p.

Obituary

George C. Dawson, 67, program executive of CBS in early '30s, latterly a script writer and producer, died Dec. 28 in Veterans Hospital, N. Y.

RCA chairman David Sarnoff was member of high-dome panel on Rockefeller-underwritten report revealed this week, urging appointment of single Chief of Staff to the President and Secy. of Defense over Joint Chiefs of Staff; simplified system of unified command charged with carrying out clearly defined national strategic plans; increased expenditure of about \$4 billion on defense and related matters, including education, in new budget. Gen. Lucius Clay is understood to have sparked report, one of series of 6 being prepared on major security, economic, political and social problems facing U. S. Among others on panel: Gordon Dean, ex-chairman, Atomic Energy Commission; John Cowles, publisher of *Minneapolis Star & Tribune* (WCCO-TV, WCCO, et al.); Henry Luce, publisher of *Time, Life, Fortune*; Oveta Culp Hobby, publisher of *Houston Post* (KPRC-TV & KPRC) and ex-Secy. of Health, Education & Welfare.

Federal Communications Bar Assn., which holds annual dinner Jan. 10 at Sheraton-Park Hotel, Washington, slates Wm. C. Koplovitz as new pres. to succeed George S. Smith. Other choices of nominating committee, tantamount to election: Leonard H. Marks, 1st v.p.; Frank U. Fletcher, 2nd v.p.; Arthur H. Schroeder, secy.; Kelley E. Griffith, treas.; Edwin R. Schneider, asst. secy. Norman E. Jorgensen, retiring secy., Thomas H. Wall & Ben C. Fisher are nominees for exec. committee. BMI is furnishing dinner entertainment.

Top ABC-TV executives meet with mgrs. of ABC o-&o TV stations and board of governors of ABC Affiliates Assn. Jan. 7-9 in Balmoral Hotel, Miami Beach, in conference on 1958 network plans.

MGM-TV, MGM Records & MGM music publishing activities move N. Y. offices to Loew's Inc. home office at 1540 Broadway.

National TV Film Council nominating committee slates Robert Gross of American Film Producers for 1958 pres.; Wm. J. Reddick, W. J. German Inc., exec. v.p.; Bernie Haber, BBDO, exec. secy.; Sally Perle, Central Casting Corp., gen. secy.; Lou Feldman, DuArt Labs, treas.; Hal Seeger, Seeger Productions, production v.p.; Sydney A. Mayers, Guild Films, distribution v.p.; Don T. Widlund, J. Walter Thompson, agencies v.p.; Edward Hamilton, ABC, TV stations v.p.; Ralph Koch, K. & W. Film Service, technical services v.p.; Joseph T. Dougherty, duPont, membership v.p.

Slander-libel damages totaling nearly \$70,000 will be paid 2 Los Angeles policemen to settle their \$3,000,000 suits over statement made about them by ex-gambler Mickey Cohen on ABC-TV's *Mike Wallace Interviews* May 19 (Vol. 13:51). Police Chief Wm. H. Parker accepted \$45,975 in settlement of his \$2,000,000 claim against network, Wallace & sponsor Philip Morris. Capt. James Hamilton, who sued for \$1,000,000, took \$22,987. Cohen himself, also named in suits, did not participate in settlements and remains a defendant.

Among the Attorneys: Thomas M. Cooley II, partner of Weaver & Glassie law firm, graduate of U of Mich. '32, Harvard Law '35, on Jan. 1 formally became dean of U of Pittsburgh Law School; he once taught law at Western Reserve . . . Richard N. Beaty becomes member of Cahill, Gordon, Reindel & Ohl, continues in charge of Washington office . . . John P. Cole Jr., ex-FCC TV application branch, joins Smith & Pepper.

TV dictionary of technical terms & jargon is included in new handbook, *Television Production*, by Harry Wayne McMahan (Hastings House, New York 22, N. Y.; 231 pp.; \$7.50). Veteran Chicago, N. Y. & Hollywood adman also is author of *The Television Commercial*.

1958 Prospects, 1957 Starters: New Year began with WMBD-TV, Peoria, Ill. (Ch. 31) and KXLJ-TV, Helena, Mont. (Ch. 12), satellite of KXLF-TV, Butte, Mont. (Ch. 4), as first starters on Jan. 1. KMOT, Minot, N. D. (Ch. 10) got program test authorization Dec. 31 for Jan. 6 start as satellite of parent KFYR-TV, Bismarck, N. D. (Ch. 5), which put first satellite KUMV-TV, Williston (Ch. 8) on air last Feb. On-air box score now totals 523 (90 uhf). Other starter reported this week is CJFB-TV, Swift Current, Sask. (Ch. 5), which began programming Dec. 23. Havana's new all-color Ch. 12 station (Vol. 13:52) has changed target to Feb. 24.

Due on air by early spring are at least a dozen more stations, nearly all vhf, of which 3 are to be satellites. Beyond these, we hesitate to predict despite fact 191 CPs (137 uhf, 25 educational) are outstanding and 121 applications (31 uhf) are pending—but we'll be surprised if year's crop equals the 40 of 1957.

On the opposite page, we tabulate all the stations which started in 1957, including the 3 that resumed after having left the air for awhile, the 6 educationals—and the Mexican-licensed XEM-TV, Mexicali (Ch. 3) which began in Oct. and which has its studios in El Centro, Cal. Also listed are year's 10 Canadian starters, and the 13 uhf stations that discontinued operations during the year.

Most of the impending new stations are vhf's and their on-air dates will be reported as quickly as they get official program authorizations. They are: KIRO-TV, Seattle (Ch. 7); WLOF-TV, Orlando, Fla. (Ch. 9); KTVU, Oakland-San Francisco (Ch. 2); WBPZ-TV, Lock Haven, Pa. (Ch. 32); KRSD-TV, Rapid City, S. D. (Ch. 7); KGHL-TV, Billings, Mont. (Ch. 8); WJCT, Jacksonville, Fla. (Ch. 7, educational); KUED, Salt Lake City (Ch. 7, educational)—plus the following satellites:

KGLD, Garden City, Kan. (Ch. 11), to be linked with KCKT, Great Bend, Kan. (Ch. 2); KXAB-TV, Aberdeen, S. D. (Ch. 9), to be linked with KXJB-TV, Valley City, N. D. (Ch. 4); KDUH-TV, Hay Springs, Neb. (Ch. 4), to be linked with KOTA-TV, Rapid City, S. D. (Ch. 3).

The 3 uhf's that had quit the air but held onto their CPs, then resumed broadcasting, are WLBR-TV, Lebanon, Pa. (Ch. 15), revived under new ownership (Triangle group); WKST-TV, New Castle, Pa.-Youngstown, O. (Ch. 45), given new transmitter site that enables it to throw signal into latter all-uhf city; WBLN, Bloomington, Ill. (Ch. 15), which actually quit the air twice this year but returned in Dec.

Note: All starters were previously reported on in detail in *Television Digest*; see issue nearest to starting date indicated. All CPs outstanding and pending applications are tabulated in *TV Factbook No. 25* with Addenda 25-A to 25-W to date.

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Details of the WMBD-TV operation were given last week (Vol. 13:52); following is report on week's other starters:

KXLJ-TV has 500-watt RCA transmitter and 2-bay antenna on 80-ft. Fisher tower. It's 46 mi. from parent KXLF-TV, Butte, Mont. Principal owner and stations'

gen. mgr. is Ed Craney, with Barclay Craighead, from radio KXLJ, as KXLJ-TV resident mgr. KXLJ-TV is sold as bonus to KXLF-TV, which has \$200 base hour. Rep is Walker.

KMOT has 5-kw DuMont transmitter and 400-ft. Ideco tower with 6-bay RCA antenna. It's getting live network by acting as additional step in 7-step microwave KFYR-TV built to reach satellite KUMV-TV, Williston (Ch. 8), near western border of state. Principal owner is Marietta Meyer Ekberg, whose husband Wm. Ekberg, is station's gen. mgr. Curt Sorbo, from KFYR-TV, is KMOT mgr. It will be sold only in combination with KFYR-TV & KUMV-TV, with \$275 base hourly rate. Reps are Blair Television Assoc. and Harry Hyett (Minneapolis).

CJFB-TV has 5-kw Canadian GE transmitter and 325-ft. Utility Tower with 3-bay batwing antenna. Wm. D. Forst is pres.-gen. mgr. & technical director and Walter S. Buffam is sales mgr. Base hour is \$120. Reps are Forjoe and TV Representatives Ltd.

Facilities changes: KTWQ-TV, Casper, Wyo. (Ch. 2) planned Jan. 5 start with 28-kw from new site on Casper Mt.; KPAR-TV, Sweetwater-Abilene (Ch. 12) Jan. 9 opens new studios in downtown Abilene, increases power to 91-kw; WPST-TV, Miami (Ch. 10) Jan. 17, moves to new 2-story studio-office building at Biscayne Blvd. & 21st St.

RCA shipped 25-kw transmitter Dec. 31 to upcoming KTVU, Oakland-San Francisco (Ch. 2), due in March; 50-kw transmitter Dec. 30 to WTVC, Chattanooga (Ch. 9), due to resume soon, after move from Rome, Ga.; 18-bay superturnstile antenna Dec. 23 to WSAU-TV, Wausau, Wis. (Ch. 7), planning power boost and move to new site.

KSWO-TV, Lawton, Okla. (Ch. 7) was off air only 2½ hours when fire damaged studio Dec. 15 (Vol. 13:51), reports gen. mgr. Emmett Keough.

We erred last week in reporting KAFY-TV, Bakersfield, Cal. (Ch. 29) as off air. Rather, under call letters KBAK-TV, it has been one of most successful uhfs extant.

New TV-radio center for WAVE-TV & WAVE Louisville, will be built at Floyd & Jacob Sts., completion scheduled for 1959.

RCA shipped 3-V color film camera Dec. 26 to upcoming KTVU, Oakland-San Francisco (Ch. 2).

Translator starts: K72AN, Durango, Colo. began Dec. 19 repeating KOB-TV, Albuquerque.

Canadian video tape center at Calgary will be established by CBC about July 1, date of scheduled completion of Rocky Mountain microwave link connecting Pacific coast to CBC network. Network relay center initially will have 4 video tape recorders "which have been on order for some time," according to CBC gen. mgr. J. A. Ouimet, with "complete facilities" to be established in about 2 years. Repeat center—originally planned for Winnipeg but relocated at Calgary after cost study—will be used to delay telecasts to compensate for western time zone differences.

Deadline for comments on proposed "TV reference test signal" to be transmitted by stations during vertical blanking period (Vol. 13:12, 14-15, 17, 24) has been extended by FCC to June 13 from Jan. 15 at request of Electronic Industries Assn., which said it is testing proposed signals and will need more time to complete its work.

Record membership reported by NAB (formerly NARTB) at start of 1958: 1415 AM, 337 FM, 319 TV, 4 radio networks, 3 TV networks, 118 assoc. members, total 2196—70 higher than last year.

Stations Starting During 1957

With List of Those Which Left Air During Year

Listed in order of on-air and off-air dates.

STATIONS STARTING

Call Letters	City & State	Channel	Starting Date	AM Adjunct
¹ KUMV-TV	Williston, N. D.	8	Jan. 9	—
KONO-TV	San Antonio, Tex.	12	Jan. 14	KONO
WTWV	Tupelo, Miss.	9	Feb. 2	—
² KBAS-TV	Ephrata, Wash.	43	Feb. 15	—
KTWO-TV	Casper, Wyo.	2	March 1	—
[†] KLSE	Monroe, La.	13	March 9	—
[†] WYES-TV	New Orleans, La.	8	April 1	—
KHVV-TV	Honolulu, Hawaii	13	April 22	KHVV
WSOC-TV	Charlotte, N. C.	9	April 24	WSOC
[*] WLBR-TV	Lebanon, Pa.	15	May 2	—
KBTX-TV	Bryan, Tex.	3	May 22	—
WPSD-TV	Paducah, Ky.	6	May 28	—
³ WRLP	Greenfield, Mass.	32	June 1	—
KGEZ-TV	Kallispell, Mont.	9	July 9	KGEZ
⁴ KPLO-TV	Rellance, S. D.	6	July 14	—
KTVK	Ensign, Kan.	6	July 24	—
WPST-TV	Miami, Fla.	10	Aug. 3	—
KSPR-TV	Casper, Wyo.	6	Aug. 12	KSPR
WFGA-TV	Jacksonville, Fla.	12	Aug. 14	—
WIIC	Pittsburgh, Pa.	11	Sept. 1	WWSW
WAVY-TV	Portsmouth-Norfolk, Va.	10	Sept. 1	WAVY
[†] KTCA-TV	St. Paul-Minneapolis	2	Sept. 2	—
WWLV-TV	New Orleans, La.	4	Sept. 7	WWL
[†] WHYY-TV	Philadelphia, Pa.	35	Sept. 16	WHYY(FM)
KETV	Omaha, Neb.	7	Sept. 17	—
WTIC-TV	Hartford, Conn.	3	Sept. 23	WTIC
WKXP-TV	Lexington, Ky.	27	Sept. 23	WLAP
WPTA	Roanoke-Ft. Wayne, Ind.	21	Sept. 28	—
XEM-TV	Mexicall-El Centro, Cal.	3	Oct. 1	—
[†] KOAC-TV	Corvallis, Ore.	7	Oct. 7	KOAC
KPAC-TV	Port Arthur-Beaumont	4	Oct. 22	KPAC
WOWL-TV	Florence, Ala.	15	Oct. 28	WOWL
[†] WMVS-TV	Milwaukee, Wis.	10	Oct. 28	—
WLWI	Indianapolis, Ind.	13	Oct. 30	—
[*] WKST-TV	New Castle, Pa.- Youngstown, O.	45	Oct. 30	WKST
WINR-TV	Binghamton, N. Y.	40	Nov. 1	WINR
KXGN-TV	Glendive, Mont.	5	Nov. 3	KXGN

Call Letters	City & State	Channel	Starting Date	AM Adjunct
[†] WEEQ-TV	La Salle, Ill.	35	Nov. 10	—
WBOY-TV	Clarksburg, W. Va.	12	Nov. 15	WBOY
WHDH-TV	Boston, Mass.	5	Nov. 26	WHDH
[*] WBLL	Bloomington, Ill.	15	Dec. 1	—
KWRB-TV	Riverton, Wyo.	10	Dec. 15	KWRB
KVII	Amarillo, Tex.	7	Dec. 21	—

[†] Educational, non-commercial outlet. ^{*} Resumed operation after being off air. ¹ Satellite of KFYR-TV, Bismarck, N. D. ² Satellite of KIMA-TV, Yakima, Wash. ³ Satellite of WWLP, Springfield, Mass. ⁴ Satellite of KELO-TV, Sioux Falls, S. D. ⁵ Satellite of WEEK-TV, Peoria, Ill.

U. S. STATIONS LEAVING AIR IN 1957

Call Letters	City & State	Channel	Date	AM Adjunct
WTV	Elmira, N. Y.	24	Feb. 13	—
WCMB-TV	Harrisburg, Pa.	27	April 9	WCMB
WGBS-TV	Miami, Fla.	23	April 13	WGBS
[*] KPTV	Portland, Ore.	27	April 30	—
WTOB-TV	Winston-Salem, N. C.	26	May 11	WTOB
KCCO-TV	Sacramento, Cal.	40	May 31	KXOA
KVVG	Tulare-Fresno, Cal.	27	Aug. 6	—
WENS	Pittsburgh, Pa.	16	Aug. 31	—
WJHP-TV	Jacksonville, Fla.	36	Oct. 25	—
WGLV	Easton, Pa.	57	Nov. 1	WEEEX
WCDB	Hagaman, N. Y.	29	Dec. 1	—
WPAG-TV	Ann Arbor, Mich.	20	Dec. 31	WPAG
WNAO-TV	Raleigh, N. C.	28	Dec. 31	—

* Call letters are now used by Ch. 12, Portland.

1957 CANADIAN STARTERS

Call Letters	City & State	Channel	Starting Date	AM Adjunct
CKMI-TV	Quebec City, Que.	5	March 5	—
CFCR-TV	Kamloops, B.C.	4	April 8	CFJC
[†] CJOX-TV	Argentia, Nfld.	10	May 30	—
CHAT-TV	Medicine Hat, Alta.	6	Sept. 14	CHAT
CHBC-TV	Kelowna, B.C.	2	Sept. 21	CKOV
[†] CHBC-TV-1	Penticton, B.C.	13	Oct. 12	CKOK
[†] CHBC-TV-2	Vernon, B.C.	7	Oct. 12	CJIB
[†] CKSO-TV-1	Elliot Lake, Ont.	3	Oct. 26	—
[†] CFCL-TV-1	Kapsuskasing, Ont.	3	Dec. 15	—
CJFB-TV	Swift Current, Sask.	5	Dec. 23	—

[†] Satellite of CJON-TV, St. John's, Nfld. ¹ Satellite of CHBC-TV, Kelowna, B.C. ² Satellite of CKSO-TV, Sudbury, Ont. ³ Satellite of CFCL-TV, Timmins, Ont.

St. Louis station-sale deal was up in air again at week's end following Dec. 31 U. S. Court of Appeals stay of FCC order authorizing Ch. 11 CP transfer to 220 Television Inc. (Vol. 13:43, 44, 48). Stay was issued on request of St. Louis Amusement Co., one-time applicant for channel. Court gave no opinion in authorizing stay on 2-1 vote. Tied up with Ch. 11 deal is CBS purchase of KWK-TV (Ch. 4) which was not stayed by Appeals Court ruling, leaving CBS, as spokesman put it, "trying to find the best way of going ahead expeditiously as possible with both transactions." FCC spokesman said it had received no requests for action from principals, that it would have to "give thought" what action to take, if any. Action might include asking court to reconsider stay.

Rate increases: WHTN-TV, Huntington, W. Va. Jan. 1 adds Class AA hour (7:30-10:30 p.m., daily) at \$800, min. at \$160, Class A hour remaining \$600. KMSO-TV, Missoula, Mont. Jan. 1 raised base hour from \$150 to \$200, min. \$30 to \$40. KOTA-TV, Rapid City, S. D. Jan. 1 raised hour from \$150 to \$200, min. \$25 to \$40. CKSO-TV, Sudbury, Ont. Jan. 1 raised hour from \$240 to \$270 and added new Class AA min. only rate (7:30-10:30 p.m. daily) at \$75, Class A min. going from \$48 to \$60. CKGN-TV, North Bay, Ont. has raised hour from \$160 to \$180, min. \$35 to \$45. Correction: WGR-TV, Buffalo, Dec. 1 raised hour from \$1025 to \$1200, min. \$190 to \$225.

New WTVC call letters have been assigned Ch. 9, due to resume soon as Chattanooga outlet after move from Rome, Ga. where call was WROM-TV.

CP for KWSL, North Platte, Neb. (Ch. 2) has been sold by partners Ray J. Williams (who controls 60% of KRFC, Rocky Ford, Colo.), Franklin R. Stewart & Alvin E. Larsen Jr. for \$5000 to North Platte TV Inc., which has 50 local businessmen as stockholders, headed by attorney Rush C. Clarke. Williams is to get \$10,000 worth of stock in buying firm for expenses incurred and for consulting & technical services.

FCC finalized grant this week of Ch. 6, Greenwood, Miss. to WABG, granted these additional CPs to: (1) Board of Trustees, Louisville Free Public Library, for educational Ch. 15; (2) San Luis Valley TV Inc., Romeo, Colo., for Ch. 79 translator; (3) Jackson Hole Translator Inc., Jackson, Wyo. for Ch. 72 translator. [For details see TV Addenda 25-W herewith.]

Two applications for TV stations were filed with FCC this week, bringing total to 121 (31 uhf). Applications: For Yakima, Wash., Ch. 23, by Charles R. White, ex-gen. mgr. of KLEW-TV, Lewiston, Ida.; for Arecibo, Puerto Rico, Ch. 12, by WIMA there. No translator applications were filed this week. [For details, see TV Addenda 25-W herewith.]

One allocations change sought this week—Granite City Bestg. Co., Mt. Airy, N. C. requesting addition of Ch. 8 to Mt. Airy, substitution of Ch. 11 for Ch. 8 in Charleston, W. Va.

New reps: KEYT, Santa Barbara, to Headley-Reed (from Hollingbery).

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

Vigorous defense of admen against indictments by Vance (*The Hidden Persuaders*) Packard is carried by Jan. *Atlantic* in rebuttal by Fairfax M. Cone of Foote, Cone & Belding to Packard article ("The Growing Power of Admen") in Sept. issue of magazine. "Advertising Is Not a Plot," Cone says, denying Packard charges that agencies dictate contents of TV & radio programs, manipulate consumer buying tastes, misuse motivational research. Cone concedes that some admen are "irresponsible"—just as "there are unscrupulous builders, manufacturers, retailers, and even doctors & lawyers." But he concludes: "What almost guarantees the honesty of advertising & advertising people is advertising itself. Punishment for sinning is swift & sure. It comes from a public that deeply resents being fooled and that will not buy any product again that has failed to live up to its original advertising promise."

"Down Under" TV: Growth of TV in Australia is included in Jan. 3 *Wall St. Journal* story of increasing interest of U. S. companies in growing Australian market. Admiral Australian subsidiary, article says, has capacity to produce 50,000 sets annually—equal to total number bought in country in 1956. It's producing 21-in. set, which despite lower labor costs sells for equivalent of \$572 vs. \$180-\$240 for similar sets sold in U. S. (Vol. 13:36). Newspaper gives as reasons for higher costs: 25% tax on luxury goods, low production rate. Other sources list Aug. TV production at 23,485 vs. 4421 in Aug. 1956.

Sets aren't selling—that's "only thing wrong with color TV," Dec. *Television Magazine* says in special report by assoc. editor Barton Hickman. Reviewing "Color's 4th Year—and 230,000 Sets," article says "electronic bugs largely disappeared and the system was generally recognized as the most powerful advertisers' medium of the day." But "people aren't buying the sets." Big reason: price.

How to win kiddies—and families—on TV is market subject explored by Jan. 3 *Printers' Ink* in interview with pres. Eugene Gilbert of Eugene Gilbert & Co., author of *Advertising & Marketing to Young People*. Among 7 most effective techniques in commercials: "Include strong physical action . . . De-emphasize adult action."

Add baseball TV lineup: National Baseball Congress, representing 25,000 non-pro sandlot players, joined minor leagues this week to fight scheduled CBS-TV telecasts of major league Sunday games next season (Vol. 13:49-52). Asserting that as many as 10,000 Sunday sandlot games are played weekly, Congress pres. Ray Dumont said telecasts would reduce attendance at them even more than at minor clubs' games. Meanwhile, CBS sports director Wm. C. MacPhail issued formal statement to correct "misunderstanding" of agreements with 6 major clubs for rights to Sunday "game-of-the-week" telecasts. He pointed out that CBS-TV can't carry games "over any TV station in any city where a minor league team is playing an afternoon game, nor over any TV station located within 50-mi. of any other minor league game."

Mystery blast at transmitting tower of radio WEZB, Birmingham, caused \$10,000 damage and put station off air Dec. 31, police reporting 8 sticks of dynamite were set off. They said station had been having labor trouble, but spokesman for IBEW with which WEZB has contract said "no dispute" exists between union & station.

Telecasting Notes: "Who should pay for tune-in advertising?" asks *Advertising Age* in Dec. 30 editorial on subject of ads which urge viewers to watch sponsor's program. Editorial expresses view that one of most powerful ways to plug a program is through TV itself—and it's free. In general, it concludes, advertiser foots bill for special publicity drives and tune-in advertising, but sums up: "Publicity is nice, if affordable, but there is a question whether the money might not be better spent adding stations or improving the quality of a program. It is to the interest of the network, station and producer to promote programs. It is not a basic responsibility of the advertiser who buys a program in good faith as a carrier for his commercials" . . . First made-for-TV features are included in Screen Gems' new 112-picture "Triple Crown" package, which has 52 Columbia features, 52 Universal features and 8 dramas produced by Screen Gems last season for CBS-TV's *Playhouse 90* . . . Foreign markets: TPA says foreign TV sales now represent 30% of its gross; Screen Gems says its product is now being unreeled in 34 major foreign TV markets . . . No TV plugs allowed on CBS Radio: Jan. 1 *Variety* reports CBS Radio turned down prospective order from U. S. Steel for saturation campaign plugging *U. S. Steel Hour* on CBS-TV . . . NBC-TV now selling 15-min. segments in daytime *Matinee Theatre*, dropping participating sales; each quarter-hour will have 3 one-min. commercials, minimum buy being 3 consecutive commercials . . . Hollywood TV writers had good 1957—and 1958 should be even better. Writers Guild of America reports they'll share \$8,250,000 pot of original wages for scenarios produced last year plus about \$350,000 in residuals, which paid \$157,294 in 1955, \$294,478 in 1956. Residuals alone this year may soar to \$1,000,000 under 1956 contract providing 140% of original wages after first 5 film reruns . . . First sponsor for Fred A. Niles' new *Cross-Country*, weekly 30-min. noon-hour show aimed at farm homes, is Charles Pfizer & Co. (pharmaceuticals), which purchased total of 902 announcements over 26-week period. Beginning week of Jan. 27, show will be carried by 40 stations. Niles says new contract, now being negotiated, will expand number of stations to 80 . . . Controversial subject of barter buys will be discussed Jan. 21 by Matty Fox, head of C&C TV Corp. (& Skiatron TV) and Frank M. Headley, pres. of SRA & H-R Representatives, at RTES luncheon seminar at Hotel Shelton, N. Y. . . Add network shows going into syndication: NBC-TV's *Medic*, syndicated by NBC's CNP; CBS-TV's *You Are There*, by CBS Film Sales . . . Recording of widely praised CBS-TV Dec. 30 *See It Now* documentary about Marian Anderson's Southeast Asia concert tour is being released by RCA Victor Records.

TV drama too real: Theresa Buccilli survived sinking of Andrea Doria in 1956 collision with Stockholm with no serious injury. But she collapsed and was hospitalized 4 months after she saw TV program based on sea disaster, her lawyer said this week in Cleveland, reporting \$70,000 out-of-court settlement of her claims against operators of of 2 liners. Mental anguish & shock caused by TV reenactment 3 months following shipwreck were so severe that she has been unable to work since and is still under doctor's care, he said.

Glamor on BBC: Big New Year TV celebration on staid BBC featured vaudeville, ice shows, other acts—and 10 of Europe's most beautiful girls. They were "speakerines" (announcers) flown to London from Continent, where they are employed by Eurovision stations in Denmark, Austria, Italy, France, Luxembourg, Holland, Belgium, Switzerland, Germany.

FCC Documents Radio Earnings: Profitability of radio station operation in 1956—and the losses of radio networks—are shown clearly in FCC official data issued this week. Non-network owned stations showed 21.7% increase in profits to \$48,800,000 in 1956, on revenues of \$410,400,000—vs. \$40,100,000 profit on \$375,000,000 revenues in 1955. But the 4 national & 3 regional networks and their 19 owned stations (combined) showed mere \$400,000 profit on revenues of \$70,200,000—vs. \$5,900,000 profit on \$78,300,000 revenues in 1955. Since network-owned stations earned as well as stations generally, losses in network operations are clearly delineated. But 1957 figures—due at end of 1958—will tell a better story.

Gross time sales breakdown: \$44,839,000 to national networks, \$2,802,000 to regional, \$783,000 miscellaneous, \$145,461,000 to national & regional spot, \$297,822,000 to local.

Notable in profitability picture of stations is fact 849 of the 2902 reporting (29.3%) showed loss for 1956—indicating that many of those with profits were profitable indeed. In 1955, 27.5% showed loss.

Included in report (Public Notice 54034, which we can get for you) are 8 tables—one covering statistics on each of the several hundred markets with 3 or more stations; figures are lumped in each case so that individual earnings can't be segregated.

Radio sets in use in world—excluding U. S. & Canada—total about 143,330,500, according to report by USIA Office of Research & Intelligence (there are about 153,000,000 radios in U. S.). Greatest expansion from Feb. to Dec. 1957 occurred in Communist Eastern European countries (4,500,000 new sets or 27% increase), followed by Western Europe (4,000,000 or 6%), Far East (2,700,000 or 14%), Near East, South Asia & Africa (1,000,000 or 13%), Latin America (600,000 or 3%). Report notes increase of more than 4,000,000 in number of wired speakers (to 28,918,800) took place almost exclusively in Iron Curtain countries.

FM relay network is planned by MBS which last week filed application with FCC for FM station in San Francisco, plans to ask for maximum of 6 other grants in unspecified locations. Use of multiplexing facilities, MBS pres. Paul Roberts said, would permit 80 FM affiliates in next 2 years to serve as carrier for network programming to AM affiliates now depending on Class C telephone lines “which have limited quality broadcast potentials.” Roberts said cost of plan “will be large,” but total not determined.

Reports of Radio Station Sales: KTYL, Mesa, Ariz. by Dwight Harkins for \$150,000 to Sherwood R. Gordon, owner of WSAI, Cincinnati . . . KUNO, Corpus Christi, by KUNO Inc. for \$136,600 to owners of KGBT-TV & KGBT, Harlingen, Tex. . . KMLB, Monroe, La. by Liner's Bestg. Station Inc. for \$100,000 to WSTV Inc., owners of WSTV-TV, Steubenville, O. (Ch. 9) and other TV-radio properties . . . KBAM, Longview, Wash. by KBAM Inc. for \$84,719 to Paul D. Wickre, Washington communications engineer.

Radio Station Sales Approved by FCC: KUSN, St. Joseph, Mo. by J. D. Spears for \$50,000 to W. N. Schnepf and associates (Vol. 13:46) . . . KFDA, Amarillo, Tex. by Amarillo Bestg. Co., full control to Charles B. Jordan in exchange for his 25% interest in KFDA-TV & KFDA and note for \$112,000 (Vol. 13:51).

Canon 35 evades issue of public's right to public information, Sigma Delta Chi says in slashing attack on plan by American Bar Assn. to continue its ban on TV, radio & photographic coverage of courts (Vol. 13:44). Statement by professional journalistic fraternity's freedom of information committee asserts ABA fails to face up to question: “Will American courts maintain the principles of open justice, openly arrived at, by adapting themselves to the new communications media?” Challenging ABA's presumption that its canons should govern courtroom rules, Sigma Delta Chi says people themselves “will finally determine whether or not the press will print all details of court procedures, including photographs & TV recordings.”

Ad tax machinery for collection of Baltimore's court-disputed 6% municipal assessments against advertisers and all media (Vol. 13:45-52) was set in motion Jan. 1, on schedule. Copies of new tax ordinances were sent to advertisers, agencies, TV & radio stations, newspapers—names & addresses picked from local telephone book. Deadline for payment of Jan. taxes (4% on all time or space bought in any media, 2% on media's gross receipts) is Feb. 25. Any collections will be held in escrow, however, pending disposition of nearly a score of state Circuit Court suits by media, agencies & retailers challenging constitutionality of taxes.

New AFTRA pension plan covering 18,000 TV & radio performers who work for networks, stations, agencies and other program producers under contract with union went into full effect Jan. 1. Negotiated in agreements over past 3 years, plan provides for 5% payroll contribution to AFTRA pension & welfare funds—2% for health & welfare, 3% for retirement program. Meanwhile NABET presented formal demands to NBC & ABC, including 4-day week (Vol. 13:49) and 15% raise in minimum pay scales, for contracts replacing those expiring Jan. 31. Negotiations between union & networks open in Boston next week.

Govt. probes of TV ban which prevented Detroit fans from viewing professional football Detroit Lions-Cleveland Browns championship game Dec. 29 was urged by Sen. Potter (R-Mich.). He asked Justice Dept. & FCC to look into “dictatorial & arbitrary” decision by National Football League comr. Bert Bell to continue 12-year-old policy which forbids telecasting of games within 75 mi. of fields. Echoing protests by Democratic Gov. G. Mennen Williams, Potter said public interest “is not always served when so much power is permitted in the hands of one man.”

New Nielsen coverage service, Study No. 3, has been started because of “increasing requests” for TV measurements. Based on Spring measurements, complete reports will be available in late summer. Nielsen said it had already received contracts for survey from 90 stations, 35 agency-advertisers, one network. Survey will produce county-by-county data on TV set ownership, and Nielsen says it “anticipates working with the Advertising Research Foundation on this phase of NCS which provides basic ownership data for the entire industry.”

Barter time deals between broadcasters & advertisers have been undertaken by only 16 of 234 members of Assn. of National Advertisers who responded to questionnaires on plan, ANA reported this week. Among 16 advertisers who've used barters, 9 said they got good exposure & identification over network TV for relatively little cost; 5 were dissatisfied, mainly because they thought they traded good merchandise for third-class air time. Others had no firm opinions.

Rep Blasts Barrow Report: Speaking as "a competitor of the TV networks," station sales rep Edward Petry in statement this week assailed proposals in FCC's network study staff report which he said "would hobble, if not destroy, the keystone of our great broadcasting system." His principal points: (1) Statement that networks' activities as spot reps have restrained competition between networking and national spot sales system is "completely fallacious." He said that lack of adequate competitive TV outlets has been main factor retarding competition. (2) Restriction or elimination of option time "would do a disservice to every person in the country now enjoying the wonders of TV." Option time, he said, is important to spot sales activities since "a strong station schedule with the proper allocation of time for network programs is the most valuable thing we have to sell to the national spot advertiser."

FCC's comments on "network practices" report by former Senate Commerce Committee counsel Kenneth Cox (Vol. 13:26) have been submitted to Committee, probably will be made public next week. Cox report, which was similar in some respects to Commission's own network study group report, was never officially approved by Committee—which voted to wait until 90 days after completion of FCC's network study before taking action. Same 90-day deadline was given FCC for its comments on Cox report. The 90 days now have passed, and presumably Commerce Committee will soon be ready to—in its own words—"issue its own report on network practices, with its recommendations as to possible legislation or further action on the part of the Commission and the Dept. [of Justice]."

Hidden microphone under referee John Donohue's shirt at New Year's Day Orange Bowl game in Miami brought TV audience closer than ever to football classic. Unknown to players and most of 76,000 spectators at Oklahoma-Duke game, microphone connected with batteries in referee's hip pockets carried his description of penalties to players and other comments to CBS-TV control room at field. "It was for the educational benefit of the TV viewers," CBS producer Hugh Beach said.

Regular colorcasting began this week in Japan, with Tokyo's non-commercial JOAK-TV and commercial JOAX-TV each programming one hour of color daily, using NTSC system. Effort is largely symbolic, since color sets are far beyond reach of average Japanese—reportedly priced at nearly 10 times cost of black-&-white sets. Govt. is said to have 100 U.S.-made color sets on order.

Armed Forces TV Service has purchased vhf translator from Adler Electronics Inc. for installation on Guam. It will repeat programs of commercial KUAM-TV (Ch. 8) on Ch. 10.

British TV magazine, *TV Times*, hit 2,500,000 paid circulation with Dec. 13, increase of 1,000,000 in year. Publication began in Sept. 1955 with introduction of commercial TV.

NTA moved this week into new quarters in Coliseum Tower, 10 Columbus Circle, N. Y.

Anti-Toll Activity: Efforts to block pay TV were stepped up on several fronts this week: (1) New west coast organization, tentatively called Citizens Committee Against Pay TV and backed by Southern Cal. Theatre Owners Assn., began collecting signatures on petition calling for referendum to overturn Los Angeles City Council's grant of wired toll-TV franchises to Skiatron and Telemeter-Fox West Coast Theatres (Vol. 13:51). Group's goal is to obtain the required 51,767 in time to halt franchises, which are scheduled to go into effect Jan. 22. (2) Movie exhibitors' Joint Committee on Toll TV began distributing literature to every theatre owner in nation, urging exhibitors to conduct local campaigns against fee TV, contact Congressmen, etc. (3) JCTT co-chairman Philip Harling wrote Senate Commerce Committee Chairman Magnuson (D-Wash.)—who favors fee-TV test—that broadcast trial "would cause irreparable damage," pointed to wired Bartlesville system as testing ground.

Seven teleplays produced in 1956-57 season, selected by committee of 20 university & college faculty members, are included in *Best Television Plays, 1957*, published recently by Harcourt, Brace & Co. They are "Requiem for a Heavyweight" by Rod Serling, "Cracker Money" by Steven Gethers, "The Five Dollar Bill" by Tad Mosel, "The Trial of Poznan" by Alvin Boretz, "Survival" by Alfred Brenner, "Lee at Gettysburg" by Alvin Sapinsley, "Thank You, Edmondo" by Mac Shoub. Anthology was edited by NBC sales representative Wm. I. Kaufman.

British viewers will be able to boo shows they don't like while telecasts are still on the screen, according to announcement by London commercial program contractor Associated Rediffusion, which says it will install 200 wired "backtalk" devices in cross-section of homes. Disgusted viewer will push button near his TV set and red "fireside critic's light" will flash in studio, accompanied—according to press report—by loud Bronx cheer. A-R says it will begin installations in about 2 months.

How to save movies: Italian TV made Tirano theatre owner Marco Soltoggio feel wretched, so he took steps to bring back movie customers who preferred staying home to watch sets. Police investigating sudden blackout at Tirano station of such nationally popular TV programs as *Lascia o Raddoppio (Double or Quits)* reported that Soltoggio, helped by friend, had tried to restore theatre's popularity by cutting coaxial cable with axe.

Index to 1957 Newsletters

OUR ANNUAL INDEX to news stories is in the works, due off presses next week. The only such service in the industry, it goes to all subscribers, pin-pointing items which are extremely difficult to find otherwise. It may be used most conveniently with your file of 1957 Newsletters, Special Reports and Factbooks. We are now preparing bound volumes of the foregoing—can still take orders at \$25 per copy.



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1958 TRADE OUTLOOK—DOWN, THEN UP: Aligning our view with more optimistic businessmen, we see general softness ending by midyear, followed by rise to new high ground. Thus, biggest impact of business dropoff will fall in TV's poorer half year -- leaving Sept.-Dec. heavy selling season to benefit from pendulum's upswing. All this adds up, in our estimate, to 6,500,000 TV production (including color), about 6,700,000 retail sales -- former holding about even with 1957, latter increasing slightly as inventories, at healthy year-end level of 2,250,000, are further whittled down.

Logical stimulus to TV sales should be increasing age of small-screen sets, concomitant higher cost of repairs. Latest sets-in-use statistics show about 15,500,000 sets smaller than 21-in. -- excluding portables -- are still being used, most of them 5-years-old or more. (We know a top Washington steel executive who's using 11-year-old set, is just getting around to look for new one.)

Second-set market also is fertile field for sales. Certainly industry has 2 potent sales weapons here: (1) New slim-line sets (with better sound, automatic tuning) to fit in with modern living room decor -- relegating old set to den or playroom. (2) Portables which can be moved easily to any room in house -- or even taken along for use on vacation.

Styling will continue to emphasize slim look, hastening obsolescence of older sets. We think industry will pretty much standardize on 110-degree tube in 1959 lines to be introduced about June. However, a few may still use short -- or short-short -- 90-degree, due to lower cost. There's little likelihood of move to wider deflection angle, or 1958 commercial application of flat tube or picture-on-wall.

Pricewise, we can't see any increase on current models in face of weakening market. However, drop-ins at Winter Market (see below) will reflect higher costs for added features. If business conditions are on upswing when 1959 lines are introduced in late spring, higher costs of labor & materials will be passed along.

Color TV will continue to gain, moving from estimated 1957 sales of 175,000 to about 225,000-275,000, due to greater public exposure, increasing color programming. Major stumbling block remains price -- and that will be alleviated somewhat by RCA's higher trade-in promotion on 11 sets, stepped up ad program (see p. 12). No cut in price based on technical developments is foreseen.

CHIPS ON FEATURES, NOT PRICE, FOR MID-YEAR TV: Except for usual Winter Market-priced specials, TV industry is putting promotion behind selling features to move drop-in models and stimulate first-half sales -- not on price. As it was last Jan., air of "sensibility" is in Chicago -- word is: don't look for dumps. Among features being shown are clues to what's coming later this year -- 1959 portable lines are but 3 months away from retail introduction.

In portables, Motorola anticipates 1960 with its not-for-sale, tubeless, truly portable-portable. Battery-driven set uses 31 "Motorola developed" transistors. Its 2 nickel-cadmium batteries are 5-in. cubes, supply 12 watts, operate 6 hours on one charge, recharge in 2 hours while set plays on house current, and take 2000 charge-recharge cycles. Weight of 14-in. set is 30 lbs. "Practical price" is 2 years off. Set's cabinet furnishes more immediate styling clue, however: one-piece, molded of fiber glass, picture tube & chassis removable from front.

Other portable & table model styling clues: (1) Tapered look -- front 2-in. wider than "finished" back -- of Philco table (Vol. 13:50). (2) So-called "flight flair" of GE's portables, which are vinyl-covered -- so are Admiral's -- and fitted with polarized plugs to cut further the multi-million-to-one chance of shock hazard.

Price isn't out of picture entirely. Emerson, though not at Market, adds new 17-in. portable at \$128; 14-in. bracket still alive as GE & Zenith show 3 models each.

In consoles, for styling clues there are: (1) Sylvania with maximum slimness push, cutting cabinet back beyond face of tube & "ensemble-it-yourself" convertible lowboy & console line (Vol. 13:46, 50). (2) Stress on hi-fi sound in TV typified by Motorola with 2-speaker table model, 3 drop-in consoles featuring twin 8-in. speakers in one, twin 4-in. plus 12-in. in 2 others. Also pushing sound, though not showing at Market, new Hoffman TV audio system featuring 15-watt output & 3-4 speakers.

Production: TV set output was 96,647 week ended Dec. 20 vs. 116,296 the preceding week & 98,357 in 1956. Year's 51st week brought total to about 6,260,000 vs. 7,261,629 last year. Radio set production was 308,840 (97,119 auto) vs. 373,322 (118,284 auto) the preceding week & 335,011 (197,019) in 1956. For 51 weeks, sets produced totaled 15,061,000 (5,371,407) vs. 13,638,759 (4,889,338 auto) last year. With normal production in coming 52nd week, industry production of home radios could reach 10,000,000 sets, passing earlier predictions by 1,000,000, for 8-year high.

New Color TV Push: "Greatly increased" allowances on black-&-white sets traded in on any of 11 color sets and "extensive" co-op advertising in local newspapers, TV & radio will be utilized "for a limited period" in a market-by-market RCA color TV campaign starting immediately.

C. P. Baxter, v.p. & gen. mgr., says idea is to cash in on reaction of families who are seeing color for first time on the record number of sets sold in weeks just before Christmas—"highest in color TV's history." For sets which list from \$495 to \$895 (8 are \$695 or above), "cash outlay will be close to what the customer would pay for a deluxe black-&-white console," Baxter said. Values won't be duplicated in months ahead, he asserted, since "color TV prices in the future will be higher than they are now."

Simultaneously, Raymond Rosen, RCA's Philadelphia distributor and heaviest color promoter, broke with first quarter campaign keyed to advertised list of \$399-with-trade for low-end table model formerly listed at \$495.

Meanwhile, *Home Furnishings Daily* was reporting that color sales in Detroit range from 5 to 30% of black-&-white; that unit sales of color vs. 1956 are ranging from slightly up to 20% up; that dollar sales per set & profit per set are higher than year ago. In Milwaukee, the trade paper reported, some big dealers will end year 15 to 25% ahead in color sales due to RCA's big spring promotion there, but that some pre-promotion pioneers are finding color selling rough now, that list is rare, profit difficult; that dealers are complaining about lack of daytime programming, but agreeing that color sales do rise with Mary Martin-type spectaculars.

Black-&-white promotion was launched by RCA this week too, again featuring the long trade on 4 high-end 800-series consoles.

Raytheon discontinues making TV picture tubes for initial market, blaming "slackened demand and high seasonal fluctuations," but continues production for replacement. Production stops at Quincy, Mass. plant, affecting 200 of plant's 7700 employes. Firm also announced \$2,000,000 capital improvement program at Quincy, Newton and Brighton tube and semiconductor plants.

Zenith opens non-selling TV consumer showroom on ground floor corner of new Tishman Bldg., 53rd & 5th Ave., N. Y.

Trade Personals: Arthur A. Currie resigns as merchandising mgr. of Westinghouse TV div. . . . Joseph B. Elliott, onetime RCA v.p., later pres. of Schick and now v.p. of Raymond Rosen Co., Philadelphia RCA distributors, now devoting most time to Tele-Dynamics Inc., Rosen defense contract subsidiary . . . Paul D. Scaggs, ex-John J. MacInnes dept. store, named controller of Admiral molded products div. . . . Frederick G. Reiter, ex-Md. Credit Finance Co., named v.p. & director of Philco Finance Corp. sharing functions of v.p. & director M. Bradley Young . . . Willard J. Russell promoted to adv. & promotion mgr. of Philco accessory div. . . . James W. Dougherty promoted to chief engineer of Philco automotive div. . . . Edward G. Reitz promoted to Motorola adv. administration mgr., succeeding Hugh H. Engleman, named TV adv. & sales promotion mgr. . . . C. B. Thorsen, Day-Brite Lighting district mgr., named pres. of Electric Assn. of Chicago, succeeding H. C. Moses Jr. of Thomas & Betts Co., who becomes director-at-large . . . Joshua Ginsparg promoted to chief industrial engineer of Shure Bros. . . . Wayne R. Smith, ex-*Electrical Dealer*, named promotion mgr. of *Electrical Merchandising*.

Milton R. Rackmil, pres. of Decca Records and of Universal Pictures, which Decca now controls, is subject of personality sketch titled "That Money Maker at Decca" in Dec. 29 *N. Y. Times*.

DISTRIBUTOR NOTES: Admiral names Leo Lisee to head new Philadelphia Admiral Distributors' branch, his Washington D. C. branch functions to be absorbed by Wm. Oppenheim, gen. mgr. of Baltimore branch . . . Graybar promotes Glen Moore to TV district sales mgr. in Atlanta succeeding Harry Giles who retires after 20 years . . . Luckenbach & Johnson, Allentown, Pa. (Philco), has been purchased from sole owner Ralph Luckenbach by 4 veteran employes: Stephen Demchyk, now pres.; A. W. Roberts, sales v.p.; Wm. C. Burgess, merchandising v.p.; Ralph Hill, secy.-treas. . . . Majestic International appoints Jack Harris, ex-Philco Distributors, N. Y., to new post of exec. mgr. of N. Y. branch . . . Bogen-Presto, divs. of Siegler Corp., name as reps: Fred B. Hill Co., Minneapolis, for Minn., N. D., S. D., western Wis.; Ralph Stevenson, Salt Lake City, for Rocky Mt. area; Forristal-Young Sales Co., Kansas City & St. Louis, for Neb., Ia., southern Ill. in addition to Kan. & Mo.; Charles L. Thompson Ltd., N. Vancouver, B. C., for western Canada.

Tape Recorder Convert: Olympic enters tape recorder business, showing at Winter Market a 3-model portable line including a stereo unit. Since only 2 other TV manufacturers (RCA & Philco) are in portable business which is touted as 600,000 units worth \$100,000,000 at retail in 1957 and 700,000 worth \$120,000,000 in 1958—and all others have stayed conspicuously out—we asked pres. Morris Sobin what brought him in. Two reasons: "Stereo is coming—both discs & tape—and we want to get our feet wet now." Second: "There is a demand for tape recorders in our distribution. Our outlets are selling other brands."

Sobin believes that stereo disc will be here in fall of 1958; that at least 4 manufacturers are working on a cartridge for fall; that Olympic will be in stereo record business as soon as cartridge is available. "If stereo discs don't happen in 1958, then they will surely in 1959. We want to be ready with stereo players for both discs and tape." Other tape activity:

(1) Stereo tape recorder, said to record & reproduce stereophonic sound from a single unit, was introduced by Superscope Inc., Los Angeles. "Sterecorder," with 2 matched microphones, 2 independent pre-amp & power amplification channels, each with own controls, sells for \$549 list, works monaurally or binaurally.

(2) Packard-Bell comes into miniature recorder business with 4x6x11-in. 10-lb. model using tape magazine which can be changed in 5 seconds. Magazine has single reel of tape which winds continuously from inner diameter while it unwinds simultaneously onto outer diameter. Transistorized recorder is in P-B's technical products div., is designed primarily for military use at present.

Electronics in 1958: Commerce Secy. Sinclair Weeks, estimating 1957 electronics production at \$6.9 billion factory value, with 606,000 employes, predicts 1958 figure will advance to \$7.35 billion. His breakdown:

(1) TV-radio and related consumer equipment to hit \$1.47 billion vs. 1957's \$1.44 billion, advance coming from "other than TV-radio"; TV production in first 6 months probably cut back as result of mounting inventories; radio at best approximating 1957 high level because of expected auto production decline.

(2) Other electronic equipment (no tubes or components) rising to \$3.4 billion from 1957 preliminary total of \$3.1 billion. Increased spending for military electronics to help, but major effect of stepped-up missile program may not be felt until year's end; commercial and industrial electronics, estimated at \$1 billion in 1957, will continue growth—but at somewhat slower rate.

(3) Electron tubes reached preliminary total of \$800,000,000 in 1957, estimated to go to \$820,000,000 this year.

(4) Electronic components estimated at \$1.66 billion for 1958 vs. \$1.56 in 1957.

Vanguard director Dr. John P. Hagen speaks on "Satellite Instrumentation of the Future" at Jan. 6 meeting of IRE Washington section.

Sperry Rand's semiconductor div. is now producing transistors and diodes commercially—sales headed by Arthur M. Varnum.

New missile interceptor "Plato," being built for Army by Sylvania at Waltham, Mass. lab, is designed to halt IRBMs—further details barred by security.

Add Mid-Year Lines: In addition to 4 TVs, Admiral will show at Winter Market 6- & 8-transistor radios with dual speakers which play from front & back. Portables, which also play on AC-DC, will retail at \$59.95 and \$69.95. TV entries include 2 specially priced 17-in. vinyl-covered portables and 2 new TV-hi-fi consoles, to be specially priced. Also shown will be new "Italiana" line of radio-phono consoles, styled in Italy and using some German import components.

Westinghouse will show 2 manual control TVs, a table and a console, a new hi-fi consolette and a line of remote speaker and record storage cabinets to match hi-fi line introduced last fall.

GE will show 3 basic new TVs to Market, in 10 models—all without list prices. Drop-ins include three 14-in., four 17-in. portables and 3 lowboy consoles.

Emerson, though not at Market, introduced two 17-in. portables, two 21-in. consoles, a 24-in. console. Also in line was 21-in. TV-AM-FM console with 4 speakers, 3 console phonos and a portable, 8-transistor radio and an AM-FM table radio.

Hoffman showed to distributors in Chicago and on west coast, 11 basic TVs in 35 models including one 17-in. and one 24-in. Using 4 chassis, line includes 14 models listing from \$349 to \$445. Also shown were 2 new phonos, 3 new radio-phonos, \$59.95 all-transistor portable radio and \$99.95 solar-powered portable.

More diversification: RCA joins with Allis-Chalmers to form C Stellarator Associates, combining engineering staffs for design and construction of nuclear fission power device for Atomic Energy Commission; plant at Princeton is due for completion in 1960.

Electronics Personals: R. E. Kirby promoted to mgr. of Westinghouse electronics operation in Baltimore; J. M. Beggs succeeds him as ordnance dept. mgr. . . . John R. Booth promoted to director of Philco TechRep div., Samuel B. Webb to gen. mgr. . . . Dr. B. D. Thomas named pres. of Battelle Memorial Institute, succeeding Dr. Clyde Williams who retires after 28 years as first pres. to form own consulting company . . . S. G. Paterson, ex-Rogers Majestic Electronics, named sales v.p. of Canadian Motorola Electronics Ltd., headed by Reginald M. Brophy, onetime NBC executive, ex-pres. Rogers Majestic Co., who also heads Philips Canadian Industrial Development Co., affiliated with big Philips Lamp Works, Eindhoven, Holland . . . Theodore E. Jamro promoted to new position of mgr. of Buffalo transistor plant & acting mgr. of Clyde, N. Y. semiconductor rectifier plant of GE semiconductor products dept.; George F. Platts promoted to mgr. of Syracuse semiconductor plant at Electronics Park, as reorganization of dept.'s management puts greater authority at plant level, abolishes position of mgr. of manufacturing . . . Joseph B. Cejka, ex-Brach Mfg., named electronics gen. sales mgr. of Gabriel Co. . . . Lowell S. Palfrey promoted to director of research & development of International Rectifier . . . Dominick N. Salerno promoted to controller of Circuit Instruments Inc., subsidiary of International Resistance Co.

Texas Instruments receives \$4,691,884 contract for 14 CAA radar units, first to be installed in 2 years. Company is also making transistorized 7-lb. mine detector, ¼ weight of current standard model.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 3, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Change	1957-8		Stock and Div.	Close	Wk. Change
High	Low				High	Low			
14 7/8	6 1/2	Admiral	7 5/8	+ 7/8	50 3/4	33	I-T-E CirB1 3/4 d.	40 3/4	+ 1/2
31 1/2	19 1/2	Aeroquip. 40b.	21	- 1/2	10 3/4	7 1/2	List Indust 1/4 e.	7 3/4	+ 1/4
27	16 1/2	AmerBoschl.05g	20 3/4	- 1/8	56 1/2	29 1/2	Litton Ind.	42 1/4	+ 1 1/4
24 1/2	11 1/2	Am. Bcstg. Para.1	13 1/2	+ 2	22	11 1/4	Loew's	13 1/2	...
43 3/4	29 1/2	AmMech&F 1.60	32 1/2	+ 3/8	44	28 1/2	Magnavox 1 1/2 b.	32	+ 2 3/4
179 1/2	160	AT&T 9.	169 1/2	+ 4 1/4	50 1/4	23 1/2	Mallory 1.40b.	27 3/4	+ 2 1/4
33 1/2	19 1/2	Amphenol 1.20.	24 1/2	+ 2 1/2	131	73 1/2	Mpls. H'll 1.60a	82 1/4	- 1/4
36 1/4	28	Arvin 2.	29	+ 1/2	51 1/4	35 1/4	Motorola 1 1/2.	41	+ 1/4
7 3/4	4 1/2	Avco. 10g.	6	+ 1/4	9	7	Nat'l Thea 1/2.	7 1/2	+ 1/2
47 3/4	41	Baymst 1 1/2 f	25 1/4	+ 1 1/2	36 1/2	28	Paramount 2.	31 1/4	+ 1/4
66 1/4	42	Bendix Av 2.40.	47 1/4	+ 1 1/2	18 3/8	11	Philco 3/4 f.	13 1/4	+ 1/4
52 1/2	27 1/2	Burroughs 1.	30 1/4	+ 1 1/8	40	27	RCA la.	31 1/2	+ 1 1/4
25 1/2	15 1/2	Clevite 1.15g.	16 1/2	+ 1/2	23 1/4	16 1/2	Raytheon.	22 3/4	+ 1 1/2
36 1/2	23 1/2	CBS "A" 1b.	26	+ 1 1/2	50 3/4	30 1/2	Rel Elec 1.80.	33	+ 2 1/4
35 1/2	22 1/2	CBS "B" 1b.	25 1/2	+ 1 1/2	8 1/4	4 1/4	Republic Pic.	5 1/4	...
54 1/2	25 1/2	Cons Elec. 40a.	32 1/4	+ 1 1/4	18	12 3/4	Siegler. 80.	27	+ 1 1/2
35 1/2	18	Cons Electron.	21	+ 1 1/4	6 1/4	2 1/2	Spartan.	14 1/2	+ 1/4
27 1/2	12 1/2	Cor-Dub 1.20.	14 1/4	+ 1 1/4	26 1/2	17 1/2	Sperry Rand. 80	19 1/4	+ 1
47	27 1/2	Daystrom 1.20.	34	+ 3 1/2	9 1/4	5 1/4	Standard Coil.	6 1/4	+ 3/4
19 1/2	13 1/2	Decca 1.	14	+ 1/4	18 1/2	13 1/2	Stanley-War 1.	14 1/2	+ 1/2
15 1/2	13	Disney 40b.	14 1/4	+ 1/4	41 1/2	27 1/4	Stew Warner 2b	30 1/4	+ 1 1/4
115	81 3/4	East Ko 2.60a.	101	+ 3	29 1/4	18 1/4	StorerBcstg1.80	22 1/4	+ 3
4 1/4	3 1/2	El & Music. 13e	4	+ 3/8	46 1/4	29 1/4	Sylvania 2.	34 1/2	+ 4 1/2
34	22 1/2	Emer Elec 1.60.	31 1/4	+ 2 1/4	31 1/2	15 1/2	Texas Instru.	29	+ 4
6 1/2	3 1/4	Emerson Radio.	4 1/2	+ 1/2	89 1/4	46	ThompProd 1.40	51 1/2	+ 1 1/2
68 1/2	46 1/4	Gen Dynamics 2.	61 3/4	+ 3 3/8	37 1/2	21 1/4	Tung-Sol 1.40b.	24 1/4	+ 2 1/2
72 1/2	52 1/2	Gen Electric 2.	61	+ 1 1/2	30 1/4	19 1/4	20thC-Fox 1.60.	22 3/4	+ 2 3/4
8 1/4	4	Gen Inst. 15g.	5 1/2	+ 1/2	25 1/2	15	United Art 1.40.	15 1/4	+ 1/2
47 1/4	30 1/4	GenPrEquip 2.40	36	+ 2 1/2	30 1/2	18 1/4	Univ. Pict la.	19	...
25 1/2	17 1/4	Hoffman Elec 1.	21 1/2	+ 1 1/4	28 1/2	16 1/2	Warn Bros 1.20.	17	...
37 1/2	27 1/2	IBM 2.40b.	306 1/2	+ 4 1/2	68 1/2	52 1/2	Westingh El 2.	63	+ 1 1/2
37 1/4	25 1/4	IT&T 1.80.	30 1/4	+ 1 1/4	140	91 1/4	Zenith 3a.	125 1/2	- 3 3/8

AMERICAN STOCK EXCHANGE

High		Low		Stock and Div.	Close	Wk. Change	High		Low		Stock and Div.	Close	Wk. Change
High	Low	High	Low				High	Low	High	Low			
4 1/2	2 1/2	Allied Artists	3 3/8	+ 1/4	6 1/2	3 3/8	Int Resist .20...	3 1/4	- 1/4				
21 1/2	11	Amer Electro 1/2	9 1/2	+ 1/2	8 3/4	4	Lear	4 1/4	+ 1/2				
12 1/2	4 1/2	Audio Dev. 05d.	4 1/2	- 1/8	1 1/2	3/4	Muntz TV	7 1/2	+ 1 1/2				
12 1/4	3 1/2	BarCont B.	4 1/4	+ 1/2	3 1/2	2 1/2	Muter Co. 1/4 t.	2 1/2	...				
13 1/2	6 1/4	Belock Inst 1/4 t.	7 1/2	+ 1/2	9 1/2	5 1/2	Nat'l Telefilm.	6 1/2	+ 1 1/2				
1 1/4	3/4	C & C TV.	3 1/2	+ 1/2	2 1/2	1	Nat Union El.	1	...				
5	2 1/2	Clarostat 15g.	3	+ 1/2	11 1/4	5 1/4	Norden-Ketay.	6 1/2	+ 1 1/4				
6 1/2	3	duMont Lab.	3 1/2	+ 1/4	5	3	Oxford El.	3 1/2	...				
7 1/2	2 1/2	Dynam Am.	3 1/2	+ 1/2	3 1/2	1 1/2	Philips Sc.	1 1/2	- 1/2				
12 1/2	5 1/2	Electronics Cp.	6 1/2	+ 1/2	8	3 3/4	ServoCpAm.	4 1/2	+ 1/2				
3 1/2	1 1/2	El-Tronics.	2	+ 1/2	12 1/2	6 1/2	Servomech .40.	7 1/4	+ 1 1/2				
30	8 1/4	General Trans.	19	+ 3 1/4	9	3 1/2	Skiatron.	5 1/4	+ 1/2				
28 1/2	17	Globe Un 1.20b.	16 1/2	- 1/2	8 1/4	2 1/2	Technicolor.	3 1/4	+ 1/2				
4 1/2	2 1/2	Guild Films.	3	+ 1/2	5 1/2	3 1/2	Trans-Lux .20g.	3 1/2	...				
44 1/2	29 1/4	Hazeltine 1.40b.	32	+ 1 1/2									

OVER THE COUNTER

Bid		Asked		Bid		Asked	
Aerovox.	3 1/2	3 1/2	Leeds & Northrup .60b.	19 1/2	20 1/4		
Airborne Inst.	34	37	Magna Theatre.	1 1/2	1 1/2		
Altec Co. 80.	7 1/2	8	Maxson (W. L.) .05.	4 1/2	5		
AMP Inc. 50.	17 1/2	18 1/2	Meredith Pub 1.80a.	29 1/2	30 1/2		
Amplex.	44 1/4	44 3/4	National Co. (4 1/2 stk.)	10 1/4	11		
Chesapeake Ind.	1 1/2	2 1/2	Official Films .10.	1 1/2	1 1/2		
Cinerama Inc.	7 1/2	1	ORRadio.	14 1/2	15 1/4		
Cinerama Prod.	1	1 1/2	Packard-Bell .50.	10 1/4	10 1/2		
Collins "A" .35.	11 1/4	11 3/4	Philips Lamp (14 1/2 of par)	30 1/4	30 1/2		
Collins "B" .35.	10 1/4	10 3/4	Sprague Electric 1.20.	23	23 1/4		
Craig System 30b.	3 1/4	4 1/4	Teleprompter.	4	4 1/2		
duMont Bcstg.	7 1/2	8	Telecomputing.	3 1/4	3 1/2		
Eitel-McCullough (5 1/2 stk.)	20 1/2	21 1/2	Time Inc 3.75.	52	52 1/4		
Elec Assoc (stk.)	34	35	Tracerlab.	5 1/2	5 1/2		
Erce Resistor 40b.	6 1/2	6 1/4	Trav-Ler.	1	1 1/2		
Gross Telecasting 1.60.	14 1/4	15 1/2	Unit Art Thea.	3 1/2	3 1/4		
Hewlett-Packard.	16 1/4	17	Varian Assoc.	16 1/2	16 3/4		
Hycor.	2 1/2	2 1/2	Victoreon Inst.	3 1/2	3 1/2		
Indiana Steel Products 1.20a.	18 1/2	18 1/2	Webcor .25.	11	11 1/2		
Jerrold.	1 1/2	1 1/2	Wells-Gardner.	5 1/2	6 1/4		

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Do You Know That . . .

EX-FBI AGENTS are prominent also in various other fields of communications and electronics besides those we listed in the broadcasting industry last week (Vol. 13:52). For example, AT&T's John J. McKenna is one of "J. Edgar Hoover's boys," as are Joseph F. Doherty, Bell Labs; Jerome F. Taylor and Sterling F. Tremayne, Illinois Bell; James F. Ryan, N. Y. Telephone Co.; David A. Lush and Raymond C. Sprow, IT&T; Robert E. Chasen, Federal Telephone & Radio Co.; Charles C. Houston Jr., Federal Telecommunications Lab; Howard R. Hawkins, RCA Communications; Thomas E. Myers, Free Europe Committee.

GE, Westinghouse and RCA show distinct predilection for FBI alumni. GE lists George M. Dalen, James A. Davis, George M. Hunsinger, E. Vernon Osborne, Stanley W. Ross, Harry E. Scott, Wm. J. Sheehy, John F. Simons, Joseph V. Sullivan, Russell E. White.

Westinghouse has Francis P. Cotter, Charles C. Bridwell, Leslie Grady, Fred J. Hook, Stanley R. Karnash, Walter R. Kretchman, Wm. H. McLaughlin, Robt. G. Pumphrey, F. M. Raisbeck, Samuel G. Riley, Wm. B. Thomas, Sherard E. Callahan.

At RCA are Herbert T. Brunn, Richard C. Gottier, Alan R. Hawley, Stephen T. Lawrence.

Bendix Aviation has James P. Fernan, Robert T. McIver, Angelo J. Meluso, Jewel A. Pope, Robert J. Quirk, Verro L. Ritter.

Others: Rollo V. Clark Jr. and Don W. Dodge, Collins Radio; Robert C. Love, Eitel-McCullough; C. W. Wall, Hughes Tool Co.; Rufus C. Coulter and Kenneth M. Piper, Motorola; Hervey W. Miller, Minnesota Mining & Mfg.; Wade H. Gans, Philco; John T. Williams, Raytheon; Dale D. Westermeyer, Western Electric.

Why CBS Pays \$20,000,000: Earnings of WCAU-TV, Philadelphia (Ch. 12) with AM & FM adjuncts are shown in Nov. 30 unaudited statement of financial condition filed with request to transfer stations from Philadelphia Bulletin to CBS in \$20,000,000 deal (Vol. 13:51). Statement shows \$8,153,882 earned surplus and \$1,598,524 profit from Dec. 30, 1956 to Nov. 30, 1957. It had \$1,367,894 cash on hand and accounts receivable, \$3,614,746 in other current assets, \$3,256,748 in fixed assets, \$3,181,506 in other investments (including \$649,935 stock in WDAU-TV, Scranton); \$216,954 current liabilities, \$1,603,399 accruals.

Reaction to Arbitron instant rating system (Vol. 13:50-51) has been "fantastic," reports American Research Bureau director James Seiler. For example, he says, he expects all 7 N. Y. stations to sign for service—but is holding off until start of system. Planned Jan. 1 beginning was delayed because of phone company problems in balancing lines; 2 more weeks are needed before service begins. Some 200 of projected 300 homes in N. Y. have been hooked into 12 circuits. Seiler reports on system Jan. 7 in talk at RTES luncheon at Shelton Hotel, N. Y.

Thirty new Russian TV stations will start this year, according to Radio Moscow, which reports color will begin in Moscow, extend to other cities later. Lenin Electro-Technical Institute is said to be working on a color system using "scanning light beam principle" and simple camera.

Pay-TV engineering developments are scheduled for discussion at Feb. 2-7 AIEE meeting at N. Y.'s Statler and Sheraton-McAlpin Hotels.

**THE
AUTHORITATIVE**
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

NATIONAL LIBRARY JAN 11 1958

Television Digest

with **ELECTRONICS REPORTS**

Wyatt Building • Washington 5, D. C. • Telephone Sterling 3-1755 • Vol. 14: No. 2

SUMMARY-INDEX OF THE WEEK'S NEWS — January 11, 1958

DISMISSAL OF ANTI-TRUST suit against RCA-NBC in Philadelphia-Cleveland station swap could force FCC changes. Supreme Court appeal certain (p. 1).

HEARINGS ON NETWORK PRACTICES called by FCC for March 3; action seen forestalling hasty legislation. Justice Dept. gets Barrow files (p. 2).

HOUSE PROBE OF FCC planned by Moulder subcommittee to lead off hearings on regulatory agencies; Congressman denies Commission is prime target (p. 3).

TOLL TV HEARINGS OPEN before House Commerce Committee Jan. 14, expected to last 10 days; 4 new anti-pay-TV bills introduced in Congress (p. 4).

CBS AFFILIATES MEET in Washington Jan. 13-14 to hear network executives, expound own views on industry issues; many Congressmen attending banquet (p. 6).

TV GRANTS TO STATES for Federal financing of educational systems proposed in House; Boggs bill envisages \$48,000,000 fund for TV equipment (p. 7).

TWO EDUCATIONALS WARM UP—WIPR-TV, San Juan, P.R. and KUED, Salt Lake City, raise operating total to 525. Notes on upcoming stations (p. 8).

STATION-TRANSLATOR coexistence in same town approved by FCC, rejecting station opposition in 2-channel Lewiston, Wash. grant. Other actions (p. 9).

DO YOU KNOW THAT CBS pres. Frank Stanton rose to present \$300,000-a-year post from academic ranks, never held job elsewhere in business world? (p. 14).

Manufacturing-Distribution

HIGH END REACHING HIGHER in TV, radio & hi-fi drop-in lines shown at Winter Market this week. "Stability" confidence running high (p. 10).

1957 TV PRODUCTION was 6,421,000, about 966,000 less than 1956 total; radio hits 8-year high of 15,400,000, including 9,932,000 home units (p. 10).

STEREO DISC SEEN as threat to present hi-fi boom by some phono makers, as next magic feature by others; could hit market by fall (p. 10).

TV DROP-INS STRESS SOUND with multiple speakers, increased wattage output; furniture styling with new woods, new shades—to keep consoles selling (p. 12).

HI-FI KEPT HOT by add-on lines of remote speakers, big push to cabinet styling, novel wood tones (p. 12).

RCA-NBC LEGAL VICTORY—PRECEDENT FOR FCC? In pulling rug out from under Justice Dept. anti-trust suit against RCA & NBC in Westinghouse "station-swap" case (Vol. 12:29 et seq), Philadelphia Federal Court Judge Kirkpatrick may have set stage for some far-reaching changes in FCC procedures & concepts and FCC-Justice Dept. relationships.

Paving way for dismissal of civil suit, Judge Kirkpatrick ruled, in effect, that FCC action can't be challenged by Justice Dept. on anti-trust grounds. And the corollary implication of Jan. 10 ruling is that Commission must take responsibility of enforcing anti-trust laws in its licensing procedure.

Justice Dept. had attached heavy importance to this case -- first anti-trust action involving network activity -- and then-Attorney General Brownell was personally responsible for filing of original suit Dec. 4, 1956. Appeal by Justice Dept. directly to U.S. Supreme Court is certain.

In this test case, RCA & NBC were named defendants in civil suit charging they violated Sherman Act and "coerced" Westinghouse Broadcasting Co. into agreeing to swap its Philadelphia TV-radio stations (now NBC's WRCV-TV & WRCV) for NBC's Cleveland outlets (now KYW-TV & KYW) plus \$3,000,000.

RCA-NBC pinned principal defense to fact exchange of outlets was approved by FCC in Dec. 1955, claiming they were caught in the middle of a jurisdictional dispute between 2 govt. agencies and Justice had no right to challenge FCC ruling.

On basis of this "jurisdictional" argument by RCA-NBC, Judge Kirkpatrick threw case out of court. Anti-trust action, said he, was barred by "administrative finality" of FCC's approval of transfer. He noted that Justice Dept. had access to information on deal while it was pending before FCC and should have objected then.

* * * *

Ruling took both FCC & Justice Dept. by surprise. For years, Commission has maintained -- as have Congressional committees -- that it does not have final anti-trust authority and doesn't want it. House Judiciary Committee Chairman Celler (D-N.Y.) early in 1957 introduced bill (HR-2142) to specify that action by regulatory agencies doesn't "insulate" regulated companies from anti-trust laws (Vol. 13:2). This bill should take on more importance in current session of Congress as result of this week's court action.

If Kirkpatrick decision sticks -- is upheld by the Supreme Court -- it would effect changes in FCC activities by making Commission responsible for upholding the anti-trust laws in all of its decisions. One experienced ex-FCC attorney speculated that under such a condition "nobody could get a CP without a hearing" since it would be incumbent upon Justice Dept. to intervene in every single FCC case which might involve possible anti-trust problems -- for, once granted, licensees would have what could in some respects be described as immunity from anti-trust action.

FCC CALLS HEARINGS ON NETWORK PRACTICES: Acting with unusual dispatch, the FCC this week completed its briefing sessions on 1400-page Barrow network study staff report and announced open hearings covering entire report would start March 3.

Action was surprise to many interested parties, who had expected Commission to solicit written comment -- but there was general agreement now that final decisions on report's recommendations are unlikely while 85th Congress is still in session. Fact that Commission is now "doing something" about Barrow report is almost certain to forestall hasty Congressional action on recommendations in the document.

Industry spokesmen generally hailed the action as best possible chance to get their viewpoints across to Commissioners. On Capitol Hill, however, we heard the word, "stalling," used by 2 spokesmen. Feeling among some there who have followed the situation is that Commission should have initiated proceedings to adopt proposals recommended by Dean Barrow and his staff.

Rule-making proceedings may come -- but not for some time. FCC's timetable, as given in hearing notice (Doc. 12285, Public Notice 53721): Lists of witnesses, with brief outline of subject matter, due before Jan. 31; hearings to start 10 a.m. March 3. "Written statements will be accepted at this time only for the purpose of pointing out inaccuracies, if any, in factual data or statistics" in report.

How long the hearings will run depends entirely upon Commission, which could choose to hear every witness, or consolidate testimony of witnesses whose testimony is likely to be repetitious. Commission says it "wishes to conduct and conclude this hearing in as expeditious a manner as possible," that it hopes to cut down repetition. Best guess as to length of hearing is about 10 full days.

Commission must sort through mass of testimony before deciding what to do about the many recommendations in report. Then, it may or may not propose rule-making on various issues. If it does -- then the battle will really begin.

* * * *

On another front, FCC reassured Congress that it's wasting no time in taking actions on basis of Barrow report. In letter to Chairman Magnuson (D-Wash.) of Senate Commerce Committee, released by Committee this week, FCC Chairman Doerfer said "the materials which the network study staff states in its report as raising a question concerning possible infractions of the anti-trust laws are being referred to Dept. of Justice" and that "materials in the files of the network study staff bearing on possible infractions of existing Commission regulations have been made the subject of further investigation." Similar letter was sent to House anti-trust subcommittee.

Two principal areas of possible anti-trust violations raised in Barrow report concerned alleged consultation among networks on rates of shared affiliates and "cooperation" between network organizations and networks' own spot sales depts. to "equalize" national spot and network rates (Vol. 13:30).

Barrow report also recommended that Justice Dept. be consulted on subject of network "must-buy" lists and substitution of "minimum-buy" requirement, as well as subject of possible legislation to bring networks directly under FCC regulation.

As to study of possible infractions of FCC rules, Doerfer presumably referred to informal letters sent the 3 networks and large group of stations whose licenses come up for renewal in Jan. & Feb., inquiring about some practices alleged in Barrow report (Vol. 13:51). Letters didn't charge infractions, but asked information.

Network study report had asked inquiry into possible breaches of rules in these fields: (1) "One network's practice of requiring applicants for affiliation to serve as its primary outlets to the exclusion of other networks." (2) "Policies and practices of the networks with respect to holding discussions with existing affiliates concerning the granting of affiliation to other stations." (3) "The practice of the networks of discussing with affiliated stations the proposed placement of network programs on non-affiliated stations." (4) "Use of network rates to influence national spot rates of affiliated stations." (5) "Use of network rates to influence the stations' acceptance of programs from another network."

Commission's letters to both Congressional bodies declined comment on either Cox or Celler network practices report as "premature" until deliberations on Barrow report are completed, and added that FCC Office of Network Study is now preparing its supplemental report on programming although some data still hasn't been supplied.

OPENING TARGET OF MOULDER HEARINGS—FCC: Congressional investigating season opened this week, special House Commerce legislative oversight subcommittee taking lead by bringing FCC within its sights in hunt for irregular practices in 6 govt. agencies.

But Chairman Moulder (D-Mo.) told us that choice of FCC as lead-off agency in session-long hearings, expected to start by end of Jan., doesn't mean that it is ripest target for probes of possible malfeasance by govt. administrators.

"I want to emphasize that the FCC is not our No. 1 prime objective," Moulder said following 2½-hour closed meeting of subcommittee Jan. 8 -- first formal get-together since last Oct. 17 (Vol. 13:42). "We aren't singling out the FCC."

Moulder explained that subcommittee's staff under Dr. Bernard Schwartz, who submitted 30-page memo at executive session, had made more progress in preliminary examination of FCC procedures than at other agencies involved: CAB, SEC, FTC, FPC, ICC. Timetable for public hearings probably will be set next week.

"Considerable disturbance & unrest" have been aroused within agencies and subcommittee itself by "much misunderstanding" of his aims, Moulder told us. He said he wants his investigation to answer 2 main questions about the quasi-judicial agencies: (1) "Are they disregarding intentions of Congress in setting them up?" (2) "Are they violating their own rules and regulations?"

Wary eyes nevertheless are being kept on Moulder & Dr. Schwartz by agency officials and Republican members of subcommittee who see probe as Democratic scheme to embarrass Administration. They balked last fall at fishing expeditions for damaging evidence which were led into agencies by Dr. Schwartz, NYU law professor on leave as director & chief counsel. Conduct of investigation (started 10 months ago with \$250,000 budget) has been noticeably more subdued since, although staff attorney Stephen England was installed in FCC offices on daily work schedule.

By subcommittee instructions, Dr. Schwartz still is denied access to filled-out questionnaires he sent to agency chiefs & personnel, asking details about income, expenses, etc. Questionnaires are kept locked in Moulder's office safe.

Nor does Moulder have blanket subpoena authority to seize agency records -- authority he was reported to have sought earlier from full House Commerce Committee,

headed by Rep. Harris (D-Ark.). Both Moulder & Harris denied to us this week, however, that any dispute over subpoena powers has arisen. Harris said he'll sign any justified subpoena wanted by subcommittee, but none has been requested.

CONGRESS SUBSCRIPTION-TV FIGHT OPENS: Chairman Harris (D-Ark.), now an avowed opponent of pay TV (Vol. 13:52), opens hearings on toll TV Jan. 14 with testimony of FCC Commissioners before his House Commerce Committee, which is divided on subject. He promised speedy hearings lasting no longer than 10 days, though 50-60 witnesses, names and views undisclosed, have asked to be heard.

As Congressmen poured more anti-fee-TV bills into hopper, Harris told us the hearings are solely "to get information on the nature of subscription TV" and aren't "tied to any specific legislation."

First 2 days of hearing are set aside for FCC. Chairman Doerfer will have prepared statement; he and other Comrs. are sure to be questioned closely. Skiatron, Zenith, International Telemeter will be heard Jan. 16-17. Following these prime proponents of pay TV will be outspoken opponent NAB pres. Harold E. Fellows, expected to testify Jan. 17. Hearings will resume Jan. 21-22 with appearance of 3 network presidents. Balance of time will go to others who have asked to testify.

Committee had sent wires, at week's end, asking all potential witnesses if they were willing to submit written statements as time-saving device.

Three more Congressmen introduced anti-pay-TV bills Jan. 7. One (HR-9629), by Commerce Committee member Rep. Beamer (R-Ind.), would amend Communications Act to prohibit pay TV and spell out that "Commission may not authorize any person to engage in the broadcasting of any subscription television program." Other 2 Congressmen, Powell (D-N.Y.) and Madden (D-Ind.), sponsored identical measures (HR-9706, HR-9690) which would prevent Commission from permitting pay TV "until it is authorized to do so by a law enacted after the date of enactment of this section." In Senate, Sen. Langer (R-N.D.) introduced bill (S-2934) to ban fees on home TV, prohibit FCC from authorizing such fees without explicit Congressional authority.

No pay-TV hearings are scheduled on Senate side of Capitol, although Commerce Committee Chairman Magnuson (D-Wash.), who favors tests, has indicated Committee is to give "serious attention" to issue (Vol. 13:51).

ADVERTISING AGENCIES: F. Kenneth Beirn, ex-Erwin Wasey, Ruthrauff & Ryan, joins C. J. LaRoche as pres., succeeding James Webb, who becomes chairman . . . Werner Michel, TV-radio v.p., Reach, McClinton & Co., and pres. of its subsidiary RMC Productions, elected a director . . . Christian Valentine Jr. promoted to TV-radio commercial production director, McCann-Erickson . . . Michael Sasanoff, ex-N. W. Ayer, named TV-radio creative director of Lawrence C. Gumbinner . . . Samuel L. Frey, ex-Colgate-Palmolive, joins Ogilvy, Benson & Mather as a v.p. and media director . . . Paul Foley, McCann-Erickson v.p. and Detroit office mgr., elected a senior v.p. & director . . . H. H. Dobberteen, ex-Bryan Houston, joins Warwick & Legler as media v.p. . . . Alfred P. Berger promoted to a v.p. of Emil Mogul . . . Tom Batman elected a v.p. of Cunningham & Walsh and named creative dept. director . . . Stanley D. Canter, research director of Ogilvy, Benson & Mather, named a v.p. . . . Miss Isabel Beasley promoted to administrative v.p. of Wade Adv., Hollywood . . . Nan Marquand takes charge of TV talent for BBDO, replacing Stephen Kaplan, assigned to new TV programming . . . Miss Gladys York named chief timebuyer of Norman, Craig & Kummel.

New rep: KVAR, Mesa-Phoenix, to Avery-Knodel (from Raymer).

New high in total TV audience was established Christmas Day, according to Sindlinger & Co., Ridley Park, Pa., which reports that 93,600,000 people watched TV that day, as opposed to 84,500,000 Christmas 1956 and average daily TV audience of 84,600,000 for 7-day period ended Dec. 27, 1957. These totals are from new weekly Sindlinger service, "Activity," which summarizes company's other reports on "what America is doing." New service gives estimates of numbers of people who watched TV, listened to radio, rode automobiles, read magazines, etc. each week, plus "most talked about" items in various categories (e.g., 56.7% of adult population talked about TV during average day of sample week; "old movies" was most talked-about subject in TV category).

Video tape commercials will be offered by New York's big independent Telestudios Inc. (1841 Broadway) by April, pres. George K. Gould announced this week. Using Ampex recorders and 4 studio cameras, Telestudios plans to produce tape commercials in manner similar to live shows—by editing "electronically," with dissolves, wipes and other techniques used in live productions.

Canadian TV homes have increased to nearly 63% of estimated 4,055,000 households from 54% year ago, according to annual sample survey by Statistics Bureau in Ottawa. Report shows 2,536,000 homes are TV-equipped now. Home radio penetration in Canada is 96%.

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Personal Notes: Selig J. Seligman, gen. mgr. of ABC's KABC-TV, Los Angeles, elected an ABC v.p. . . . John Fitzgerald promoted to ABC cost control unit administrator . . . Harry Ackerman, ex-CBS-TV, joins Screen Gems as production v.p., moving own Ticonderoga Productions into firm; he reports to Irving Briskin . . . Richard L. Limkroum appointed NBC-TV director of special program sales . . . Harry Smart promoted to midwest sales mgr., Blair TV . . . Charles E. Brown, Howard D. Brundage, John P. Horgan Jr. & Fred M. van Eck promoted to gen. partners of J. H. Whitney & Co., parent of Corinthian Bestg. Corp. . . . Robert A. Schmid, ex-RKO Teleradio & MBS v.p., joins NTA Film Network as v.p. for station relations . . . Bob Hanna promoted to national sales mgr. of WPST-TV, Miami . . . John Gilmour, onetime station & program mgr., WRGB, Schenectady, later head of Army Signal Corps film activities and producer-director for Transfilm, Jam Handy, Screen Gems and Pathe, joins Robert Lawrence Productions, N. Y. . . . Bernard E. Neary, ex-Ziv, recently mgr. of WINZ, Miami, named managing director of Storer's radio WGBS, Miami . . . C. Edward Little, ex-WITV, Ft. Lauderdale uhf headed by onetime DuMont gen. mgr. Mortimer Loewi, named gen. mgr. of radio WGMA, Hollywood, Fla. . . . Marcus Bartlett promoted to gen. mgr. of WSB-TV, Atlanta; Frank Gaither to gen. mgr. of radio WSB, replacing John Outler, retired from both posts; Don Elliott Heald promoted to commercial

mgr. of WSB-TV, Lee Morris to commercial mgr. of WSB . . . Gil Martyn returns to duties as director of public service & public affairs, KTLA, Los Angeles, following serious illness . . . Joseph A. Oleske named controller of CBS news div. . . . Don Thompson shifted from TV to mgr.-sales mgr. of radio KOLO, Reno, under Harry Huey, gen. mgr. of Donald W. Reynolds stations; Don Thompson becomes local sales director of KOLO-TV . . . George E. Moynihan promoted to public affairs director of WBZ-TV, Boston, succeeding Chester F. Collier, now public affairs director, Westinghouse stations . . . James A. Schulke, ex-Rosenberg-Coryell and Young & Rubicam, named v.p. & gen. mgr. of Paramount Sunset Studios, succeeding Stanton Osgood . . . Eugene C. Gray, ex-media director of Allmayer, Fox & Reshkin, Kansas City, named gen. sales mgr. of KTVH, Wichita . . . Doug Wildfoerster, ex-DuMont, named program director of upcoming KGHL-TV, Billings, Mont. (Ch. 8); Wilber Myhre, KGEZ-TV, Kalispell, to be chief engineer; Warren Marshall, TV commercial mgr., also continues as AM commercial mgr. . . . George W. Hutchins promoted from program to operation mgr., KVTV, Sioux City; John L. Schambow, ex-WKOW-TV, Madison, named promotion mgr. . . . Keith Culverhouse promoted to sales development director of TvB . . . Warren J. Boorum promoted to director of member service, Radio Advertising Bureau . . . Charles R. Kinney & Arthur E. Muth promoted to asst. sales mgrs. of rep Peters, Griffin, Woodward; John R. Wright, ex-NBC, and Lewis C. Greist, ex-CBS, named TV account executives . . . Kenneth Silver named N. Y. mgr. of Alexander Film International . . . Robert M. Beckman, 1956 U of Pa. graduate recently with Justice Dept., joins Washington law firm Koteen & Burt . . . Earl B. Abrams promoted to a senior editor of *Broadcasting*.

Obituary

Louis Talcott Stone, 43, director of CBS talent commitments, with network 7 years, died Jan. 2. Surviving are widow, son, 2 daughters.

ABN Affiliates Advisory Board elects Phil Hoffman, v.p. & gen. mgr. of WTCN-TV & WTCN, Minneapolis, to succeed Ben Laird, WDUZ, Green Bay. Others newly elected to 2-year terms, as announced Jan. 8 by ABN stations v.p. Edward J. DeGray: Simon Goldman, WJTN, Jamestown, N. Y.; C. B. Locke, KFDM, Beaumont, Tex.; James Wallace, KPQ, Wenatchee, Wash. Members whose terms expire Dec. 31: J. P. Williams, WING, Dayton; T. B. Lanford, KALB, Alexandria & KRMD, Shreveport; Wm. Grove, KFBC, Cheyenne; J. S. Younts, WEEB, Southern Pines, N. C.

TV needs more farm data, media director Frank E. Heaston of Gardner Adv., Salt Lake City, told National Assn. of TV & Radio Farm Directors convention in Chicago. Pointing out that national rating services concentrate on metropolitan areas, he said advertisers & agencies aren't getting sufficient information about rural viewing habits. Heaston urged extension of research, employment by stations of experienced farm directors.

Movie on motivation? Plans for comedy film adaptation of Vance Packard's *The Hidden Persuaders* have been announced by Gardner-Devine Productions, Hollywood. Firm was formed by Ed Gardner, who wrote, produced & starred in radio's *Duffy's Tavern*, and Jerry Devine, ex-J. Walter Thompson TV copy writer.

Lt. Col. M. E. (Mel) Williamson, chief of Radio & TV Branch, Office of Armed Forces Information & Education, a TV-radio-advertising industry veteran who organized Armed Forces TV Service, will be rotated Feb. 15 to Scott Air Force Base, Ill. where he'll be deputy to Information Service Officer. Radio & TV Branch engineering officer Maj. S. E. Rodby leaves in June for Air Force Command & Staff College. No successors have been named.

George H. Revercomb, son of Sen. Chapman Revercomb (R-W. Va.), has been appointed Comr. Ford's legal assistant, effective Jan. 16. He's native of W. Va., born at Charleston in 1929, was graduated from Princeton 1950, received LLB from U of Va. 1955, has been with Southern Railway legal dept. in Washington.

Dr. Irvin Stewart, 1934-37 member of FCC, now pres. of U of W. Va., has announced resignation from that post at end of this semester, will spend year traveling abroad, then return as professor of political science.

Motion Picture Industry Council elects producer Jerry Wald as 1958 pres., succeeding actor George Murphy. Other officers named Jan. 9: Ronald Reagan, 1st v.p.; Frank Nugent, 2nd v.p.; Hal Mohr, secy.; Steve Broidy, treas.

FCC examiner Herbert Sharfman is "progressing satisfactorily" following Jan. 7 gall bladder operation at George Washington U Hospital, Washington.

CBS Operation Washington: Timed to opening of a Congress which may keep broadcasters unusually busy in Washington, some 315 executives of 175 CBS-TV affiliates were to convene in Washington's Hotel Shoreham for their 4th annual General Conference, Mon. & Tue., Jan. 13-14. Meetings are designed to provide forum for views on current issues, notably pay TV and Barrow report (see pp. 4 & 2).

Jan 13 dinner at Sheraton-Park Hotel will be attended by some 700 govt. notables and wives, including members of Congress and FCC. Seating arrangement is on state-by-state basis, so that broadcasters will rub elbows with home-state Senators & Congressmen. Affiliates also are scheduling breakfast meetings and cocktail parties for respective Congressional delegations.

Speaking at open sessions: Jan. 13, 10 a.m.—Howard Lane, KOIN-TV, Portland, Ore.; Merle Jones, CBS-TV pres.; Frank Stanton, CBS pres.; Richard S. Salant, CBS v.p. Luncheon speaker is Vice President Richard Nixon. Jan. 13 p.m.—Wm. Lodge on engineering & station relations, Sig Mickelson on place for network news; Jack Cowden on promotion & publicity.

Jan. 14 a.m.—Hubbell Robinson Jr. on programming; Wm. H. Hylan on sales. At 11 a.m., affiliates will hold closed meeting with no network personnel present. Luncheon speaker is Senate Majority Leader Lyndon Johnson. Jan. 14 p.m.—Salant will discuss toll TV, followed by general panel discussion.

Innovation will be participation in all discussions by representative spokesmen to express affiliates' views. Representing affiliates at sessions: P. A. (Bud) Sugg, WTVT, Tampa-St. Petersburg; Jack Jett, WMAR-TV, Baltimore; W. D. (Dub) Rogers, KDUB-TV, Lubbock, Tex.; Norman Knight, WNAC-TV, Boston; Van Konynenburg, WCCO-TV, Minneapolis; Paul Adanti, WHEN-TV, Syracuse; Frank Fogarty, WOW-TV, Omaha; Tom Chauncey, KOOL-TV, Phoenix; John Hayes, WTOP-TV, Washington.

Entertainment for Jan. 13 dinner, expected to be attended by 1100-1200, includes MC Art Linkletter, Phil Silvers, Patti Page, Danny Thomas, June Taylor Dancers.

TvB estimates TV advertising expenditures, based on net time, talent and production, will amount to \$1.416 billion in 1958 vs. \$1.322 billion in 1957. Network share is pegged at \$694,300,000 in 1958 & \$661,200,000 in 1957; national and regional spot, \$386,100,000 & \$360,800,000; local spot, \$336,000,000 & \$300,000,000. TvB said its estimates were based on *Printers' Ink* figures.

Index to 1957 Newsletters

Included herewith, to all subscribers, is our annual Index to Contents of all 1957 Newsletters, Supplements & Special Reports—only such index published for the industry. It provides a handy guide for back reference to major events, trends, dates, etc. Indexed bound volumes of all 1957 Newsletters, Supplements, semi-annual TV Factbooks, Addenda still available at \$25 per copy.

TV is a "medium of liquidation," says Albert E. Sindlinger, the Philadelphia TV-movie research specialist. As reported by N. Y. *Herald-Tribune* columnist Joseph Kessel, he told N. Y. chapter of American Assn. of Newspaper Representatives Jan. 9: "Along with the liquidation of 6000 movie theatres, 2 N. Y. baseball teams, one Philadelphia baseball team, scores of its own personalities and story properties, it also has eliminated Jayne Mansfield as a personality. After her second appearance on the Ed Sullivan Show, her boxoffice potential dropped 75%." It's Sindlinger's claim that, considering cost of amortizing and servicing TV sets, it actually is cheaper to go to movies—though his statistical arguments seem to overlook basic facts that more than one person can watch one receiver.

Children's TV programs are hard to sell to advertisers because networks ignore "some simple economic facts," adv. & public relations director Melvin Helitzer of Ideal Toy Co. told N. Y. Sales Promotion Executives Club. Complaining that regular daytime rates are charged for children's programs, he said networks & stations should re-evaluate them since children don't have adults' purchasing power, no matter how popular programs may be. "In any rating system," Helitzer said, "the number of viewers may be the same, but advertisers get paid off on the basis of sales, not rating points."

Belated "year-end report" from NBC, for Jan. 13 release, states TV network had industry record of 210 advertisers during year; introduced 23 new night programs in fall with jump of 10% in average evening audience; became "leading daytime network" with 30% gain in average audience; ended year with 152 affiliates equipped to transmit network color, thus placing color within reach of 96.6% of all TV homes. Radio network gained 41% in sales, claims 37% increase in share of 10 a.m.-noon audience, 40% up in 2-3 p.m. Rest of 19-page report comprises departmental reviews.

"Telemat" library of 10,000 commercial slides will be available to all commercial stations on subscription basis early this year, Television Mat Service Corp. pres. Charles E. Woodruff announced this week. Company, with headquarters at 129 E. 18th St., N. Y., says telemats are for use in cooperative advertising and for local tie-ins with national ads, in same manner as mats are used by newspapers.

Best TV year yet is predicted for 1958 by sales v.p. A. W. Dannenbaum Jr. of Westinghouse Bestg. Co. in statement this week, scoffing at reports of "softness of the TV industry that we hear in some quarters." He said WBC TV stations had "greatest year in history" in 1957 with 6.3% increase in gross billings over 1956, saw "an even more promising opportunity in 1958 than many are willing to estimate."

FTC dismissed complaint against Pepsi Cola Co. this week, conceding it lacked "potential proof" firm gave unlawful promotional allowances to favored customers indirectly through TV-radio network intermediaries. Commission adopted initial decision by examiner Abner E. Lipscomb that staff attorneys were unable to disprove Pepsi Cola's defense against complaint, filed July 15, 1956.

Confidence in ABC-TV progress "toward the No. 1 position in terms of network popularity" was voiced unambiguously by ABC-TV Affiliates Assn. board at Miami Beach meeting with top executives of network this week. Board hailed "tremendous achievements" of ABC-TV in 1957.

Federal Aid to School TV: Govt. grants totaling as much as \$48,000,000 to help states establish educational TV systems are proposed in bill (HR-9634) introduced by Rep. Boggs (D-La.) at opening of new session of Congress.

Referred to House Education & Labor Committee, Boggs measure would authorize Congressional appropriation specifically for educational TV. From these funds U. S. Comr. of Education could give up to \$1,000,000 to any qualified state for purchase & installation of TV equipment.

To qualify for TV grants under bill, states would be required to obtain authorization—"directly or indirectly"—from FCC for systems operated by state agencies or by "nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational TV broadcasting." No federal funds would be available for "construction or repair of structures to house" TV equipment or for its actual operation.

Boggs bill to "expedite the utilization of TV facilities in our public schools & colleges, and in adult training programs" fits in with proposals by 16 states (including La.) affiliated with Southern Regional Educational Board for \$22,500,000 regional educational TV network (Vol. 13:31).

Educational TV course in NYU's *Sunrise Semester* series on WCBS-TV, N. Y. (Vol. 13:39, 47), has been so popular with non-academic students that they'll be able to qualify for "second class scholarship" certificates next term, starting Jan. 27. First 6:30-7 a.m. TV class in comparative literature was intended primarily for 177 NYU students who paid \$75 tuition fees to earn 3 college credits. But station survey indicated 120,000 other early-morning viewers enrolled themselves for *Sunrise Semester*. So NYU is offering home examinations, certificates of proficiency for cut-rate \$35 fees to those who complete next course. Success of *Sunrise Semester* has led WABC-TV to plan 30-min. commercial book program (*Have You Read?*) for which sponsors will be sought.

New TV science series, intended to make public aware of urgent need for trained teachers, scientists & engineers, will be produced by Rossman Productions under auspices of Thomas Alva Edison Foundation. Negotiations with major midwest sponsor for 20 filmed 60-min. shows are under way, exec. director George Probst of Foundation said this week.

Pay TV could endanger football telecast programs of National Collegiate Athletic Assn., its TV committee warned this week at Philadelphia convention. Committee said 1957 NCAA TV plans worked out well, made no specific recommendations for changes in 1958 scheduling. Newly appointed TV committee was given free hand by convention to draw up this year's program.

Station-paid TV research for advertisers introducing new consumer products is offered by Blair-TV in test market plan (TMP) whereby Pulse conducts 500 home interviews before campaign, 500 at conclusion.

NBC-owned stations' "Know Your Schools" project will be subject of report to govt. officials, including FCC, at luncheon meeting in Washington's Sheraton-Carlton Hotel Jan. 16.

Fabulous publishing success story: *TV Guide's* 50 regional editions Jan. 4 went up to 6,078,723 circulation (4,910,203 newsstand, 1,383,456 subscriptions).

Construction of 1033-ft. TV tower has started in Leningrad, Moscow Radio announced.

Telecasting Notes: Landmark in TV journalism, CBS-TV's 90-min. essay *Where We Stand* Jan. 4 was precedent-setting example of how TV can fulfill its obligation to inform public without being either radio-with-pictures or newsreel-in-the-home. CBS news went all-out in making definitive survey of status of U. S. & Russia in scientific and military development—with no punches pulled. Picture was grim, and it was capped with perhaps the most extensive editorializing ever carried on network broadcast, as Howard K. Smith concluded with plea against complacency, warning of sacrifices and controls to come, and argument for meaningful disarmament negotiations. Though *Where We Stand* was presented early in year, it should be neither neglected nor forgotten early next year when 1958 awards are given out . . . Good show is worth repeating, and General Motors reportedly is exploring idea of live repeat of last Nov.'s 2-hour 50th anniversary colorcast late in March or early April . . . Latin American sales by Screen Gems during last 6 months of 1957 were more than double those of entire preceding 12 months, international operations director Wm. Fineshriber Jr. announced this week . . . "Hi-ho, Silver!" One of most durable adventure shows in broadcasting, *The Lone Ranger*, now owned by Jack Wrather, celebrates 25th anniversary Feb. 1 with special 60-min. show on CBS-TV 1-2 p.m. . . . "It's a little sad," mourns N. Y. Herald Tribune Syndicate's John Crosby in Jan. 5 column devoted to profile of top TV cameraman Harold Classen (CBS-TV). "The live cameramen have come so far in so little time—barely a decade—done such brilliant things and learned and pioneered so much. Yet already the signs are multiplying that they are a dying breed" . . . Strange things are happening: Movie theatres, in special screen messages, are urging patrons to stay home night of March 26 and watch TV! It's the night of Academy Awards telecast (NBC-TV), being sponsored this year by Motion Picture Assn. and independent producers. Some theatres even plan to close down for the evening.

"Although neither WATV nor KMGM-TV is presently a profitable operation," says recently released annual report of National Telefilm Associates Inc., "NTA is hopeful that, over a period of time, both stations may be placed on a profitable basis . . . the potential is encouraging." WATV is Newark Ch. 13 outlet, whose sale (with radio WAAM) for \$3,500,000-plus to NTA pends FCC approval and is being opposed on behalf of regents of N. Y. State (Vol. 13:49, 50, 52); KMGM-TV, Minneapolis (Ch. 9) is 75% owned by NTA, having been purchased for \$630,000 (Vol. 13:34, 47). NTA, traded on American Stock Exchange, shows \$10,976,479 income from film rentals in year ended July 31, 1957 and net income of \$1,094,031 vs. \$3,818,627 & \$441,877 in preceding year. Earned surplus last July 31 was \$1,480,100; current assets \$30,221,114, up from \$12,964,914; current liabilities \$18,414,178, up from \$10,127,859; long-term debt \$4,600,000; capital stock outstanding 1,017,850 shares.

TV is lifesaver for many of 10,000 members of Screen Actors Guild, union reports in releasing statistics showing their total 1957 income from theatrical films was less than \$25,000,000 vs. \$30-33,000,000 in pre-TV days. Drop in wages was more than compensated by wages from TV last year—\$15,000,000 for TV entertainment films, nearly \$3,000,000 in residual payments (Vol. 13:47), \$12-15,000-000 from appearances in filmed commercials.

New and Upcoming Stations: Two educational outlets can be counted on air this week, which brings operating station total to 525 (90 uhf)—30 educational stations now included in total. Long-awaited WIPR-TV, San Juan, P.R. (Ch. 6) began programming Jan. 6, and KUED, Salt Lake City (Ch. 7), which began test patterns week of Jan. 6, got program test authorization for Jan. 20 start.

WIPR-TV has 25-kw RCA transmitter and 6-bay antenna on 200-ft. Blaw-Knox near town of Aguas Buenas, 15 mi. S of San Juan. It has plant at suburban Hato Rey near offices of Dept. of Education. R. Delgado Marquez, ex-WKAQ, San Juan, is gen. mgr.; Leo S. Lavandero, ex-asst. professor, Yale Drama School, program mgr.; Rafael Rodriquez, ex-WKAQ-TV, chief engineer.

KUED, owned by U of Utah, has 5-kw RCA transmitter and 6-section superturnstile antenna on 140-ft. Ideco tower at site in Oquirrh Mts., 17 mi. from city. C. Richard Evans, ex-KGMB-TV, Honolulu, and onetime mgr. of KSL-TV & KSL, Salt Lake City, is mgr.; Keith M. Engar, program director; Herbert W. Holtshouser, ex-KUTV, Salt Lake City, chief engineer.

* * * *

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

WTAE, McKeesport-Pittsburgh, Pa. (Ch. 4) broke ground for new studio building Dec. 18, has transmitter house 25% completed, plans programming next Sept., reports exec. v.p. Leonard Kapner. Studios will be at Penn-Lincoln Parkway E. & Ardmore Blvd. in Wilkinsburg, Pa. It has ordered RCA transmitter, begins work on footings for 1060-ft. Blaw-Knox tower in 2 weeks. Owners are Hearst's radio WCAE and Television City Inc. (latter's principals being former owners of radio KQV). Rep will be Katz.

KTVU, Oakland-San Francisco (Ch. 2) has 25-kw RCA transmitter on hand, plans Feb. 15 test patterns, March 2 programming, reports Wm. D. Pabst, exec. v.p. & gen. mgr. Transmitter house is nearly ready, as is foundation for 100-ft. Ideco tower. Base hour will be \$1000. Rep will be H-R Television.

KXAB-TV, Aberdeen, S. D. (Ch. 9) has ordered 5-kw DuMont transmitter for March 1 delivery, plans start

Control of KAVE-TV, Carlsbad, N. M. (Ch. 6) and KAVE is being transferred from Mrs. Nancy H. Battison, who is disposing of her 54.16% (2003 shares) for \$43,500, it's revealed by transfer application filed with FCC. Edward P. Talbott, chief engineer of El Paso's KROD, is acquiring 1038 shares, which—with the 21.7% he now owns, plus an additional 325 currently unissued shares—will give him 51% ownership. Other new owner is El Paso architect-engineer Ralph V. Davis, who is acquiring 965 shares (26.1%). Combined TV-AM Nov. 30 balance sheet shows \$19,294 deficit. Stations had \$30,763 current assets, \$121,268 fixed assets; \$36,564 current liabilities, \$77,672 long term debts.

Application for sale of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) with WMAM to Morgan Murphy interests (Vol. 13:52) includes Nov. 30 balance sheet showing TV had \$1300 profit to date for year, radio \$7191. It lists \$45,058 current assets for TV, \$435,333 fixed assets; \$213,668 current liabilities, \$136,847 other liabilities, \$135,389 advanced by radio WMAM.

April 1 as affiliate of parent KXJB-TV, Valley City-Fargo, N. D. (Ch. 4), reports pres.-gen. mgr. John W. Boler. It has asked for bids on studio-transmitter building. It will use RCA antenna on Stainless tower. Base hour will be \$150. Rep will be Weed.

KTWX-TV, Sheridan, Wyo. (Ch. 9) has started construction of studio-transmitter building, expects to begin programming March 15 as satellite of KTWO-TV, Casper (Ch. 2), reports Burt I. Harris, pres. of Harriscope Inc., TV producer and packager, which owns 1/3 of stations. Transmitter hasn't been ordered, but March 1 delivery will be requested. KTWX-TV will be sold as bonus to KTWO-TV, which got interconnected with NBC-TV Dec. 21, has \$150 hourly rate. Rep is Meeker.

KDUH-TV, Hay Springs, Neb. (Ch. 4) has 6-kw RCA transmitter and 25-kw Standard Electronics amplifier wired and ready, expects to start soon as satellite of parent KOTA-TV, Rapid City, S. D. (Ch. 3), reports Wm. F. Turner, business mgr. RCA 6-bay antenna has been installed on 500-ft. Ideco tower. It will be sold as bonus to KOTA-TV, which has \$200 hour. Rep is Headley-Reed.

WGTE-TV, Toledo, O. (Ch. 30, educational) has been held up pending decision to change from proposed 300-watt ERP to higher power, reports program director Murray W. Stahl. GE helical antenna is on hand.

CFTM-TV, Trois Rivieres, Que. (Ch. 13) has ordered GE transmitter for delivery about Feb. 1, hopes to begin test patterns March 8, programming March 15 as CBC French Network affiliate, reports pres.-gen. mgr. Henri Audet. He's former CBC regional engineer and has moved from Quebec to Trois-Rivieres to supervise construction. Buildings are to be ready by end of Jan. It has 300-ft. Wind Turbine tower due shortly. Base hour not set. Reps will be Weed, Jos. A. Hardy & Co. Ltd., John N. Hunt & Co.

CKBI-TV, Prince Albert, Sask. (Ch. 5) received 10-kw Standard Electronics transmitter Jan. 3, plans Jan. 15 programming, reports gen. mgr. E. A. Rawlinson. Studio-transmitter house is completed and Alford antenna has been installed on 600-ft. Wind Turbine tower. C. O. (Jerry) Johnson, recently with CKCK-TV, Regina, Sask., and long-time CKBI local sales mgr., will be sales mgr.; Jack J. Cennon, from CKBI, production mgr.; Tom Van Nes, CKBI, chief engineer. Base hour will be \$175. Reps will be Weed and All Canada.

Gannett Co.'s purchase of KOVR, Stockton, Cal. (Ch. 13) for \$3,100,000 (Vol. 13:47) was approved by FCC. In taking over licensee Television Diablo, newspaper publisher pays majority owner H. Leslie Hoffman and associates \$1,100,000 cash for capital stock and takes over \$2,000,000 indebtedness. Terry H. Lee is to remain as gen. mgr. until next summer. Gannett newspaper chain owner also operates WHEC-TV, Rochester, N. Y. (Ch. 10), WINR-TV, Binghamton, N. Y. (Ch. 40); WDAN-TV, Danville, Ill. (Ch. 24).

Transfer of CP for WJMS-TV, Ironwood, Mich. (Ch. 12) by Wm. L. Johnson for \$10,000 expenses to Frank J. Russell's WDMJ-TV, Marquette, Mich. (Ch. 6) to be satellite (Vol. 13:46) was approved by FCC this week. Russell also was granted CP for private relay to permit off-air pickup of parent programs by Ironwood outlet.

GE has shipped special 2-bay helical antenna to upcoming KIRO-TV, Seattle (Ch. 7), due in Feb.; 5-kw transmitter to WTVJ, Miami (Ch. 4); 12-kw used transmitter to KEPR-TV, Pasco, Wash. (Ch. 19), planning boost to 144-kw; film scanner to Ampex Corp., Redwood City, Cal.

Translator-Station Coexistence: FCC this week indicated it believes translators and stations can coexist in same town, when it granted Ch. 70 & 76 in Lewiston, Wash. to Orchards Community TV Assn.—denying request by local KLEW-TV, Lewiston (Ch. 3), to set the translator applications for hearing. In long-pending case—first one of its kind—KLEW-TV had argued that existence of translators in Lewiston-Clarkston area would impair or destroy ability of local station to serve the community.

In granting Orchards the right to relay programs of KREM-TV & KHQ-TV, Spokane, Commission expressed opinion that "TV service in that area would be improved, rather than jeopardized, by additional program outlets." Comr. Bartley dissented, favoring hearing.

In another phase of its fight against repeaters, KLEW-TV this week wired Commission that illegal vhf booster with 2 Ch. 6 yagi antennas on 85-ft. steel tower apparently was about to begin operation in Lewiston-Clarkston area. Commission told KLEW-TV it would investigate and take "appropriate action."

Also on the translator front, FCC extended for another year—until Jan. 1, 1959—its liberalized translator equipment rules as regards spurious emission and methods for measuring power output (Vol. 12:35), saying "no serious interference problems have been reported."

Commission this week asked Appeals Court to set aside stay of FCC order authorizing CBS to transfer its Ch. 11 CP in St. Louis to 220 Television Inc. (Vol. 14:1).

Path was finally cleared for license renewal of WMUR-TV, Manchester, N. H. (Ch. 9) this week, when TV for New Hampshire Inc. dropped its competing application for Ch. 9, which it filed when WMUR-TV proposed to move to point about 20 mi. from Boston (Vol. 13:12, 40).

In allocations actions, FCC added Ch. 17 & 39 to Bakersfield, Cal., and started rule-making on proposed switch of Ch. 9 to Baton Rouge from Hattiesburg, Miss.

Petition to change FM rules to permit stations to use horizontal or vertical polarization was denied this week by FCC which held current rules now permit adding vertically polarized elements to existing horizontally polarized antenna system. Washington consulting engineer James C. McNary had filed petition on grounds vertical polarization would provide better auto FM radio reception (Vol. 13:18, 31). Comr. Bartley voted to make vertical polarization permissive; Comrs. Lee and Mack did not participate.

Translator starts: K76AG, Shelby, Mont. began Jan. 7 repeating CJLH-TV, Lethbridge, Alta.; K76AF, Eureka, Nev. began Jan. 3 with KSL-TV, Salt Lake City; K70AZ, Gallup, N. M. Dec. 13 with KOB-TV, Albuquerque; K76AD, Raymond, Wash. "early Dec." with KOMO-TV, Seattle; K78AG, Leadville, Colo. Nov. 30 with KOA-TV, Denver; K70AY, Nov. 25 with KOL-TV, Reno; K80AJ, San Saba, Tex. Nov. 16 with KRLD-TV, Dallas; K72AL, Grangeville, Ida. Oct. 26 with KREM-TV, Spokane.

FCC Bureau of Field Engineering under veteran director George S. Turner, with staff of 60, moves to new quarters week of Jan. 13 at 718 Jackson Place NW, Washington.

Warner Bros. dismissed 50 Hollywood employes this week in new economy move affecting nearly all depts.

Closed-Circuit Spectaculars? Movie industry ought to stage own "spectaculars," preferably monthly, and pipe them via closed-circuit TV into nation's theatres in order to compete with the "TV super-colossal spectaculars we get once a month." So says George Sidney, pres. of Screen Directors Guild, in letter to MPAA pres. Eric Johnston. Citing Chicago theatres' complaints that they did lowest Sun. night business night Frank Sinatra & Bing Crosby appeared on TV together, Sidney asserts success of TV shows is result of talent "amassed [from] show business, not TV personalities" and suggests this talent "should be working for show business." He would have theatres share part of expense on basis of pre-seat royalties.

"Closed-circuit TV communications industry" grossed about \$3,200,000 in 1957, according to release by TNT Tele-Sessions pres. Nathan L. Halpern, whose figure is considerably above gross of \$2,400,000 reported in our survey of "meeting TV" industry (which did not include theatre-TV sports events) last month (Vol. 13:52). Halpern said his company "provided closed-circuit services to 23 accounts, which produced gross revenues of \$2,610,000, about 81% of the entire industry" last year. Largest closed-circuit telecast ever held, he said, was Robinson-Basilio championship fight, televised to 174 locations in U. S. and Canada. "Closed-circuit tele-sessions for business meetings cost as little as \$3100 and as much as \$250,000 during the year," citing Kleinert Rubber's Detroit-to-N. Y. telecast and AT&T Yellow Pages' 62-city event as opposite extremes. He predicted 1958 would be "an even bigger year" for closed-circuit telecasting.

Baseball TV curbs—and how they can be imposed by major leagues without risking anti-trust prosecution—will be explored in conference between Baseball Comr. Ford Frick and Chairman Celler (D-N. Y.) and Rep. Keating (R-N. Y.) of House Judiciary Committee. Sympathetic to protests by minor leagues that scheduled CBS-TV telecasts of major Sunday games this season will hurt gates of smaller clubs (Vol. 14:1), Frick will try to work out solution to problem in talks with legislators—probably next week. He has pointed out that any agreement by major clubs to limit telecasting of games probably would violate monopoly laws.

British movie attendance is down 25% from 1956, bringing new layoffs by J. Arthur Rank Organization and Associated British Studios—but for once, TV isn't blamed for all decline. Survey of worsening theatre situation by *Times of London* shows that TV viewing is only one factor. Nevertheless, BBC is being criticized by Radio & TV Safeguards Committee for recent block purchases of U. S. films for TV. Group of 16 trade unions & professional organizations complains that film imports will be shown Saturday nights—"normally a peak cinema-going time," thereby placing "further severe burden on the struggling shoulders of the British film industry."

Power of radio, Soviet style, apparently was responsible for embarrassing "scoop" by AP this week to the effect that Russians had put manned rocket into outer space. Retraction by AP conceded that story was based on rumor, but other news services were quick to point out that Radio Moscow had broadcast Orson Welles type drama Jan. 5 based on the launching of a manned sputnik "in the future." The assumption was that AP's Moscow staff had heard reports from "usually reliable sources" which misinterpreted the dramatic broadcast as fact.

AT THE MARKET—HIGH ENDS REACH HIGHER: All aspects of TV, radio, phono merchandising observed at Winter Market in Chicago this week seemed to be beamed at propagating the high-end push launched at Summer Market in June (Vol. 13:48). Most manufacturers were confident their step-up efforts were meeting with success. For example:

(1) In TV, console assortments were wider; leaned more heavily on variety of woods and cabinet styling; offered multiple speakers, out-front sound, higher wattage output; relied more than ever on quality-of-sound features. [Details, p. 12.]

(2) In radio, though drop-in models were few, transistor models got major share of selling effort. While transistors were said to be bringing profits back to radio, there was concern lest undue accent in this now 10,000,000-home-units-per-year business is being placed on numbers of transistors within tight price brackets. There's fear that this could drive customers to retreat again to lower price rather than to weigh manufacturer performance claims. [Details, p. 13.]

In hi-fi, high end was bolstered by new woods, new cabinet styling, rash of matching, extra-speaker units. All makers were smiling over excellent retail acceptance and buying during Dec. and prospects for ensuing months. [Details, p. 12.]

Confidence in high ends, absence of dumps, tightness of promotional specials were leading manufacturers to feel that -- in spite of talk about depression, recession or what-have-you -- a new "stability" and "sensibility" had at long last really taken hold in home electronics merchandising.

That high-end planning -- at least at production levels of TV -- had spread throughout the industry in recent months was further evidenced by Electronic Industries Assn. report this week on how model mixes have fluctuated over last 3 years. Portables have increased share of market, to be sure, but they have not "done away" with table models to degree some at markets seem to believe. And consoles have regained share lost last year. Examples: In 1955, portables started with 3% of unit production, jumped to 23.5% in 1956, did 29% in first 11 months of 1957. Table models represented 54% of production in 1955, went down to 42% in 1956, were 32% in 1957. Consoles finished 1955 at 43% of production, slipped to 34.5% in 1956 -- but after June Market were up again to 38%.

* * * *

1957 TV Production: Preliminary estimate of 600,000 TV production in 6-week Dec. brings total for 53-week year to about 6,421,000 vs. 627,000 in 5-week Dec. and 7,387,029 for full 1956. Distributor sales for Dec. were about 800,000, making 1957 total about 6,300,000 compared with 999,000 & 7,205,000 year ago.

Inventories at factory and distributor levels were estimated to be slightly less than the 1,391,000 at end of 1956. Preliminary retail inventories will not be available until next week, but if they maintained end of Nov. level, industry went into 1958 with about 100,000 less sets than Jan. 1, 1957's 2,476,000.

TV production was 61,824 in week ended Jan. 3 vs. 87,497 the preceding week, 89,319 in final 1956 week. Radio production was 127,890 (36,789 auto) vs. 210,493 (59,816 auto) preceding week and 269,410 (145,456 auto) last year. Total for 53 weeks is 15,400,000 -- 9,932,000 home (8-year high) and 5,568,000 auto units.

STEREO DISC HAS THEM TALKING: Coming of the stereophonic phonograph record -- and equipment to play it -- was much discussed in Winter Market booths this week. While all manufacturers of present hi-fi equipment were smiling over rising high-ticket sales curves, they were also somewhat concerned whether publicity about this next disc development was going to help or hinder current sales progress.

Ever mindful of what "wait-for-color" once did to high-end TV sales, there's now some fear lest "wait-for-stereo" could be even more damaging to 2 highest phono & radio-phono brackets which showed sharp rises in 1957 (Vol. 13:51).

While one group wants stereo discs to happen as soon as possible -- its attitude being that all new developments are good for business -- another group would prefer that stereo not even be talked about.

In face of confusing information from both record makers and component suppliers, makers of finished hi-fi goods are trying to anticipate any turn of events in their 1958 planning. Most hi-fi makers at Market felt that record developments would have to lead playing equipment developments. Consensus seemed to be that the record companies must first decide between the 2 record cutting systems now competing for approval as stereo standard, would then have to tool-up for production in volume. Once some direction in record marketing is pointed, playing equipment suppliers have to produce the vital stereo pickup cartridge at reasonable prices. Then -- finished goods makers can move with some semblance of order.

At least 4 suppliers are expected to have dual-track cartridges by fall, we were told by several phono manufacturers at the Market -- whether or not stereo discs are available in volume.

Cartridge is the bottleneck. But rather than sit idle until ticklish problem is solved, phono makers are planning around it. They're discussing availability of changers whose tone arms will be able to take the dual-track cartridge -- and its dual wiring -- without altering other standard dimensions. If so, stereo changer will take no more space in existing cabinets than current changer. If stereo hits big, no other revolutionary changes of equipment in factory lines or on plans boards are seen standing in the way. With cartridge in place, conversion at factory of in-production equipment -- or equipment already in homes -- means only doubling available components: another amplifier for second track; another speaker.

Most disturbing is insistence by respected authorities -- in conflict with more promotional elements in field -- that all current stereo developments are still "experimental." Warning is that despite Oct. & Dec. demonstrations of stereo record production -- and reproduction -- engineering has yet to iron out kinks, methods, costs, and that no package dare be dated.

Larger marketing imponderables exist, too. As we talked with them at the Market, manufacturers were wondering: Will the stereo disc and its playing equipment revolutionize the present business? Will it be mass market development or merely coexist as second dimension overlapping high end of one-dimension equipment? What about stereo tape -- will stereo records coexist with it, or is a survival battle coming? When will the fireworks really begin?

Trade Personals: Wm. L. Dunn, ex-Warwick, appointed Admiral v.p. & director of engineering . . . James F. Cooper promoted to mgr. industrial sales, RCA electron tube div., Lancaster, Pa. . . Wm. L. Schubert promoted to coordinate engineering and facilities-planning programs for Philco appliance div., succeeded by Richard C. Connell as gen. mgr. of home laundry dept. . . Robert W. Galvin, Motorola pres., received citation from Paraplegics Mfg. Co. for service resulting in 100,000 hours of work for physically handicapped . . . A. A. Ward elected pres. of Altec Companies . . . Myles S. Spector, ex-pres., Insuline Corp. of America, named sales mgr., American Geloso Electronics Inc., N. Y., No. American sales agency for Geloso Hi-Tone miniature tape recorder (Italian) . . . Wm. J. Turnbull elected pres. of GPE subsidiary National Theatre Supply Co., succeeding Walter E. Green, retired . . . Harold M. Johnson elected Sparton Corp. v.p., continuing as treas. . . John E. Sheasgreen, Westinghouse Supply Co., elected pres. of Electric Institute of Boston . . . Robert T. Hood

elected Gabriel Co. controller & treas. . . James D. Grady Jr. promoted to mgr. of ORRadio's new instrumentation tape div.; Robert D. Browning named mgr. of new audio products div. . . Wm. F. O'Boyle, director of Capitol Records phono dept., elected v.p. of subsidiary Capitol Records Distributing Corp. . . W. D. Renner promoted to v.p. in charge of special services, Howard W. Sams & Co. . . Edward Berman, ex-Geare Marston ad agency, rejoins DuMont as dealer development mgr.

Arnold Maxin, ex-Epic Records, appointed pres. of Loew's subsidiary MGM Records, succeeding Frank Walker who continues as v.p. & consultant.

Obituary

Dr. Willis R. Whitney, 89, pioneer in modern industrial research and founder of GE's research lab in Schenectady in 1900, died there Jan. 9 following heart attack. He directed lab 32 years, was a GE v.p. when he retired.

TV's New Sound Appeal: Single outstanding trend among drop-in TV models at Winter Market was stress on high fidelity sound features—to go with the picture, or to go with jacked-in record changer which could convert the TV into a bona fide hi-fi set. Sound was stealing all the thunder accorded automatic tuning and remote control features launched at Summer Market in June.

RCA introduced \$450 TV with 15-watt output, 12-in. woofer & twin 3½-in. tweeters; \$550 TV-phono with 12-in. woofer & four 3½-in. tweeters; and added hi-fi sound system to one \$895 color console. DuMont, at \$389, brought out lowboy with 6-in. woofers playing out either side & twin 3½-in. tweeters out front. Admiral showed 5 drop-in consolettes starting at \$229 with 3 speakers in bases and 5-watt output.

Working directly toward use of TV sound system for record playing, Admiral also showed, perched atop & plugged into Seton model, its own label record changer in finished case. Promotion offered console TV, "\$54.95 changer for \$9.95 and free LP record with purchase of \$369 TV."

[For other lines previously announced, see Vols. 14:1; 13:48-52.]

In portables, several competitors were unhappy with introduction of 3 new 14-in. portables each by GE & Zenith—expressing to us hope this would be year 14-in. portables would vanish.

Manufacturer attitudes toward portables produced other conflicts. Several makers are actively resisting trend to 110-degree tube in portables. One, firm in belief, says that price is fundamental concern in merchandising portables; that distributors still scream for price in that portion of mix; that use of 90-degree tubes permits marketing of set at \$10-\$20 lower than 110-degree sets.

Zenith admittedly beaming its design at preferences of servicemen, reverses all-industry use of vertical chassis in portables and offers horizontal chassis in both 14- & 17-in. models.

Sylvania, going against line-timing pattern in both portables & consoles, was claiming its Black Knight portables, convertible consoles & super-slim "Sylouette" (Vol. 13:46) are not drop-in models but complete new lines—"introduced because we feel the market is right for them regardless of what tradition dictates."

Reaction among competitors to Motorola's revelation of not-yet-ready-for-market battery-operated transistor portable (Vol. 14:1) varied from congratulations to sour grapes. Latter feeling came from makers who claim they're keeping own experimental models in the lab rather than risk "wait-for-transistor" resistance to current lines.

Lawrence color tube is reported focus of heavy expenditures in money and manpower at DuMont, but pres. David T. Schultz declines to give details or commercial targets, confining himself to: "Developmental progress to date is excellent." Hope is that tube will permit simpler and cheaper color set.

Olympic pres. Morris Sobin reports 25% increase in firm's first 9-mo. exports vs. 1956 period, noting continued expansion in Central and South America, addition of Dominican & Peru distributors for TV, radio, hi-fi, air conditioners.

Keeping Hi-Fi Hot: Phono assortments got their share of booster merchandising at the Winter Market—led by auxiliary speakers, new wood treatments and cabinet styling in consoles, extension of the portable push and 2 big break throughs at the high end.

Add-on merchandising brought out auxiliary, remote speakers—which match either new-at-this-show or existing phono models—from \$39.95 (Admiral) to \$200 (Magnavox, with own amplifier). Between the 2 were: Westinghouse at \$64, Philco at \$50, RCA at \$69.95, Motorola with 2 at open lists approximating \$50 and \$80. Most remote units had more than a single speaker in them—and all had long furniture-type margins.

RCA went all out with add-ons offering 4-finish matching elements which build a single \$169.95 consolette into \$501.75 modular TV-hi-fi center on low bench, including auxiliary speaker, 21-in. TV, record storage rack.

Magnavox brought out its \$1175 "Concert Grand" top-of-the-line 50-in. wide console with AM-FM tuner, 40-watt dual-channel amplifier, two 15-in. speakers & two 1000-cycle horns, stereo tape deck, clock which automatically records programs at pre-set time.

Wood styling left standard mahogany and blonde in minority in display booths. Walnut was most prominent "standard" wood and most makers also showed expanded assortments of solid, stained & limed fruitwoods, unusual veneers which create a whole new lexicon of descriptive copy—and Admiral drew rave notices for novel wood tones of its styled-in-Italy "Italiana" hi-fi line.

While most of high-end action was admittedly designed to make hi-fi a major family purchase for the living room, the younger "record party" set was not overlooked. Portables—EIA count showed 5 of 6 portable phono categories up sharply for this year (Vol. 13:51)—were added by most makers with accent at \$49.95 to \$89.95 in anticipation of Feb. & June graduation gift markets and vacation business.

DISTRIBUTOR NOTES: Emerson will set up factory branch in Philadelphia following resignation of Irving Witz, pres. & founder of Emerson Radio of Pa.; he will supervise Emerson Radio of Florida, Miami, which he also heads . . . Allied Appliance Co. (Motorola), Boston, elects Paul L. Bishop pres.; he's been v.p. & controller . . . Peirce-Phelps (Zenith), Philadelphia, appoints Richard Dyer, ex-Stuart F. Louchheim Co., to new post of field specialist in sales and major appliances; Jack Redmond, also ex-Louchheim, named district mgr. for Peirce-Phelps' Zenith sales in southern N. J. . . . Jos. M. Zamoiski (Whirlpool), Baltimore, names Norman L. Robinson mgr. of major appliance dept.; he's rejoining firm after heading own wholesale firm for about year . . . Hotpoint appoints John S. Hicok eastern regional mgr. (Boston-Buffalo-Washington, D. C.) . . . Pilot Radio names Allan C. Davey, ex-Kelvinator, district sales rep. for Ill. & eastern Wis. . . . Kelvinator appoints Russell L. Clark as mgr. of new major appliance zone office at 2nd St. & Erie Ave., Philadelphia . . . Rockbar Corp. (Collaro changers, Goodman speakers), Mamaroneck, N. Y. promotes Stanley Neufeld to new post of national jobber sales mgr., and names Thomas B. Aldrich, ex-Presto Recording, industrial sales mgr.

FM "Range Extender" is new Jerrold preamplifier for installation between antenna and FM tuner.

Financial Notes: Electronics & Electrical Equipment Shares group of Group Securities Inc., big Jersey City investment trust with total assets of \$96,041,318 as of Nov. 30, 1957, had net assets of \$2,919,335 at then market value, according to report to stockholders this week. Fiscal year's net income on these electronics-electrical common stockholdings amounted to \$89,969: Allis-Chalmers, 5000 shares; Bendix, 3500; CBS "A", 7004; Cornell-Dubilier, 5500; Cutler-Hammer, 1500; GE, 6000; IBM, 200; IT&T, 7500; McGraw-Edison, 1500; Motorola, 4000; Norden-Ketay, 10,000; Philco, 5000; RCA, 5000; Raytheon, 1700; Sperry Rand, 8500; Square D, 3000; Sylvania, 5000; Westinghouse Electric, 3000; Zenith, 2500. Note: In Group Securities' Common Stock Fund were 2500 AT&T, 5000 GE; in its Capital Growth Fund, 1500 General Precision Equipment, 1000 Westinghouse, 8000 Norden-Ketay; in its Fully Administered Fund, 5000 Allis-Chalmers.

Sylvania had record sales but lower earnings in 1957, reports chairman-pres. Don G. Mitchell. Though final figures are not yet available, he says sales topped 1956 record of \$332,000,000, while earnings will not equal 1956's \$4.10 per share. Both 1956 figures were adjusted to include Argus Cameras Inc. which became a Sylvania div. Jan. 2, 1957. Mitchell predicted substantial increase in Sylvania's 1958 sales, "possibly by as much as 10%, depending upon the duration of the economic adjustment." He said 1957 Sylvania TV unit sales nearly doubled 1956 and cited "far greater stability of TV set industry, especially toward end of 1957" as a primary factor in company's sales gain. Other factors: strength of economy, rapid growth of electrical-electronics industry.

Clarostat pres. Victor Mucher reports 1957 earnings "should be about the same or a little higher" than last year's \$227,924 (55¢ per share), sales about the same as \$7,500,000 in 1956. He said emphasis had been shifted from mass production of TV-radio components to precision potentiometers, resulting in good year despite defense cutbacks and lower TV production.

Transistors Bolster Radio: Transistor types were getting most of radio promotional activity at Winter Market in Chicago this week, although radio drop-in activity was generally light.

Admiral showed transistor radio innovation with 2-speaker arrangement—one directed out front, other out back—priced \$59 & \$69, with 8 transistors, 2 diodes. For first time, Admiral was putting tone control on transistor models.

Motorola showed "Weatherama"—6-transistor, 3-diode, portable tunable to aircraft weather frequencies and beamed at plane & water sports enthusiasts for \$79.95.

Zenith went up to 8 transistors in \$75 bracket, brought in new portable-table model with "better speakers" at \$69.95 and offered 7 transistors at \$59.95.

Outside transistor area, RCA redesigned its clock radio, getting rid of knob-concept and switching to multi-position levers. Clock retails for \$39.95, \$42.95 with swivel.

GE repeated last year's low-end clock radio promotion and brought out price special at \$19.95.

Although transistor merchandising is concentrated in \$59.95 list area, helping industry raise its overall unit value, several manufacturers told us they feel the transistor has begun to slide to a lower average price and fear that this year may be one of last for the very high (\$75) end of transistor line.

Cornell-Dubilier had poorest year for gross since 1950, for net since 1949, according to report for fiscal year ended Sept. 30, 1957, showing \$32,494,378 sales (not counting those of 70%-owned Tobe Deutschmann Corp.) and \$754,928 net income (\$1.38 per share) vs. \$33,107,016 & \$1,085,047 (\$2.01) in preceding year. Deutschmann revenues were not disclosed but it operated at \$11,000 net loss in year; control of firm was acquired in Oct. 1956 for \$250,000 cash, its liabilities amounting to about \$500,000. Lower profits, said pres. Octave Blake, were "solely attributable to cost-price squeeze" in highly competitive market, with TV production down. But capacitor unit sales were up, antenna rotator sales are expected to maintain steady sale, color TV market is hopeful, while guided missiles, electronic computers & jet propulsion require capacitors of high dependability. Firm has developed long-life solid-dielectric tantalum electrolytic capacitor with ratings up to 35 volts and new mica units for aircraft and missile work. Proxy notice for Jan. 22 annual meeting discloses Blake's salary as \$100,392, his stockholdings 37,512 shares out of 512,390 outstanding, including 3569 shares he holds in estate of I. O. Blake.

Reports and reviews available: On CBS, by Hayden, Stone & Co., 25 Broad St., N. Y. "Radar Round-Up" (Bendix, GPE, Hazeltine, IT&T, RCA), Jan. 1 Fitch Stock Summary, any broker. On Minneapolis-Honeywell, by Green, Ellis & Anderson, 61 Broadway, N. Y. On TV-radio receiver industry, in *Value Line*, Arnold Bernhard & Co., 55 E. 54th St., N. Y. Note: United Business Service, 210 Newbury St., Boston, in recent annual forecasts, foresees 1958 corporate earnings of TV-radio, electrical appliances, electrical equipment industries as whole about same or off moderately (to 10%). And Jan. 1 Forbes Investors Advisory Institute Inc. forecasts electronics prospects, good; TV-radio broadcasting and TV-radio manufacturing, average; motion pictures, not promising.

Walt Disney Productions reports record net income of \$3,649,359 (\$2.44 per share on 1,494,041 common shares) in fiscal year ended Sept. 28 vs. \$2,623,541 (\$2.01 on 1,305,680) in preceding year. Gross income was up to \$35,778,242 from \$27,565,394, increase for 12 months including \$1,812,681 boost in TV revenues to all-time high of \$8,810,571, film rentals totaling \$15,574,260. Higher net & gross were due chiefly to operations of Disneyland Inc., now 65.52% owned by Disney, balance by AB-PT; it grossed \$6,001,611 in 3 months following Disney acquisition of additional 31.04% of stock last June.

General Instrument Corp. earned \$551,527 (40¢ per share) on sales of \$25,271,168 in 9 months ended Nov. 30 vs. \$337,146 (24¢) on \$25,398,628 in 1956 period. In quarter ended Nov. 30, net income was \$304,477 (22¢) on \$10,070,998 sales vs. \$301,585 (21¢) on \$11,418,715 in 1956 quarter. Chairman Martin H. Benedek attributed better profit picture to expanding product lines, operating efficiencies, increasing TV component sales.

Cinerama Productions Corp., producing agency for Stanley-Warner's Cinerama div., earned \$324,000 on gross of \$440,000 in fiscal year ended Oct. 31 vs. \$175,000 & \$295,000 preceding year; firm's agreement with Warner Cinerama gives it participating profits in 15 theatres.

Electronic Communications Inc., formerly Air Associates Inc., earned \$245,311 (88¢ per share) on sales of \$16,980,451 in year ended Sept. 30, 1957, vs. \$95,986 (25¢) on sales of \$14,238,111 in 1956 fiscal year.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 10, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Change	High	Low	Stock and Div.	Close	Wk. Change
14%	6%	Admiral.....	7%	.....	37%	25%	IT&T 1.80.....	30%	-1/2
27	16 1/2	AmBosch 1.05g.	20 3/4	+3/8	50%	33	I-T-E CirB1 1/2 d.	41	+1/4
24 1/2	11%	AmBostg-Para 1	13 3/8	.....	10%	7 1/2	List Indust 1/4 e.	7 1/2	+1/2
43 1/4	29 1/2	AmMach&F 1.60	33 3/4	+3/8	56%	29 1/2	Litton Ind.....	42 3/4	+1/2
179 1/2	160	AT&T 9.....	169	-1/8	22	11 1/4	Loew's.....	13 3/8	.....
33 1/2	19 1/2	Amphenol 1.20.	24 1/4	+1/8	44	28 1/2	Magnavox 1 1/2 b.	32 1/2	+3/8
36 1/4	28	Arvin 2.....	29 1/4	+1/4	50%	23 1/2	Mallory 1.40b.	27 1/2	-1/8
7 1/4	4 1/2	Avco 1.0g.....	6 1/2	+3/8	131	73 1/2	Mpls. H'll 1.60a	78 3/4	-3 1/2
47 3/4	21	Beckm Inst 1 1/4 f	24 1/4	-1/2	51 1/4	35 1/4	Motorola 1 1/2.....	39 1/4	-1 1/4
66 3/4	42	Bendix Av 2.40.	50 1/2	+3/8	9 1/2	7	Nat'l Thea 1/2.....	7 1/2	+1/8
52 1/2	27 1/2	Burroughs 1.....	30 3/8	+3/8	36%	28	Paramount 2.....	32 1/4	+1
25%	15 1/2	Clevite 1.15g.....	16 1/2	+3/8	18 1/2	11	Philco 3/4 f.....	13 1/2	+1/4
36 1/2	23 1/2	CBS "A" 1b.....	27	+1	40	27	RCA la.....	33 1/4	+1 1/2
35 1/2	22 1/2	CBS "B" 1b.....	26	+3/8	23 1/2	16%	Raytheon.....	21 1/2	-1/2
54 3/4	25 1/2	Cons Elec. 40a.....	31 1/2	-1 1/2	50%	30 1/2	Rel Elec 1.80.....	32	-1
35 1/4	18	Cons Electron.....	20 1/2	-1/2	8 1/4	4 1/4	Republic Pic.....	6 1/4	-1
27 1/2	12 1/2	Cor-Dub 1.20.....	15 1/4	+1	39 1/2	29 1/4	Sang Elec 1.80.	34	.....
106 1/4	57 1/4	Corning Glass 1a	78 1/2	-4 1/2	18	12 1/2	Siegler 80.....	15	+1/2
6 1/2	3 1/2	Davega.....	3 1/2	.....	6 1/4	2 1/2	Spartan.....	2 1/2	.....
47	27 1/2	Daystrom 1.20.	33 1/2	-1/2	26 1/2	17 1/2	Sperry Rand 80	19 1/2	+1/8
19 1/2	13 1/2	Decca 1.....	14 1/4	+1/4	9 1/2	5 1/4	Standard Coil..	7 1/2	+3/8
15 1/2	13	Disney 40b.....	15 1/2	+1 1/4	18 1/2	13 1/2	Stanley-War 1..	14 1/2	+1/4
115	81 1/4	East Kod. 90e.....	97 3/4	-3 1/4	41 1/2	27 1/4	Stew Warner 2b	31 1/2	+1 1/2
4 1/4	3 1/4	El & Music 1.3e	3 1/4	-1/4	29 1/4	18 1/4	Storer Bcstg 1.80	22 1/2	+3/8
34	22 1/2	Emer Elec 1.60.	29	-2 1/4	46 1/4	29 1/4	Sylvania 2.....	34 1/2	+1/4
6 1/2	3 1/4	Emerson Radio.	4 1/4	+1/4	31 1/2	15 1/2	Texas Instru.....	27	-2
10 1/4	6 1/4	Gabriel .60.....	7 1/2	+1 1/2	89 1/4	46	ThompProd 1.40	53	+1 1/2
68 1/2	46 1/4	Gen Dynamics 2	63 1/2	+1 1/2	37 1/2	21 1/4	Tung-Sol 1.40b.	24	-3/4
72 1/2	52 1/2	Gen Electric 2..	61 3/4	+3/8	30 1/4	19 1/2	20thC-Fox 1.60.	23 1/2	+3/8
8 1/4	4	Gen Inst. 1.5g.....	5 1/2	+1/2	25 1/2	15	United Art 1.40.	16 1/4	+1
47 1/4	30 1/4	GenPrEquip 2.40	36 1/2	+3/8	30%	18 1/4	Univ. Pict 1a.....	21	+2
30 1/2	22 1/2	General Tire 7.0	28 1/2	+1/8	28 1/2	16 1/2	Warn Bros 1.20.	17	-1/2
25 1/2	17 1/4	Hoffman Elec 1.	21 1/2	-1/2	68 1/2	52 1/2	Westingh El 2..	61 1/2	-1 1/2
376 1/2	270 1/2	IBM 2.40b.....	301 3/4	-4 1/4	140	91 1/4	Zenith 3a.....	122	-3 3/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/4	-1/4	3 1/2	2 1/2	Her Radio .15g.	2 3/4	.....
52 1/2	19 1/2	Allied Con la..	41 1/4	-1 1/4	6 1/2	3%	Int Resist 20...	4	+1/4
21 1/2	11	Amer Electro 1/2	14 1/2	-1/2	8 1/4	4	Learn.....	5 1/2	+1 1/2
12 1/2	4 1/4	Audio Dev .05d.	8 1/2	+3/8	1 1/2	3/8	Muntz TV.....	3/8	-1/8
13 1/2	6 1/4	Belock Inst 1/4 t.	8 3/4	+1 1/2	3 1/2	2 1/4	Muter Co. 1/4 t..	2 1/2	+1/4
1 1/4	3/4	C & C TV.....	3 1/4	+1/8	9 1/4	5%	Nat'l Telefilm..	6 1/4	+1/4
5	2 1/2	Claroast .15g..	3 1/2	+1/2	2 1/2	1	Nat Union El...	1 1/4	+1/4
6 1/4	3	DuMont Lab.....	3 1/2	+3/8	11 1/4	5 1/4	Norden-Ketay..	6 1/2	.....
7 1/2	2 1/2	Dynam Am.....	3 1/4	+1/8	5	3	Oxford El .10d..	3 1/2	-1/8
12 1/2	5 1/2	Electronics Cp..	6 1/2	+1/2	20%	10 1/4	Philips El.....	11 1/2	.....
27 1/2	16	Fairch Cam 1/2 g.	22 1/4	-1/2	8	3 1/4	ServoCpAm.....	4 1/2	-1/4
30	8 1/4	General Trans..	18 1/2	-1/2	12 1/2	6 1/2	Servomech 40.	7 1/2	-1/2
28 1/2	17	Globe Un 1.20b.	16 1/2	+1/2	9	3 1/2	Skiatron.....	5 1/2	-1/8
4 1/2	2 1/2	Guid Films.....	2 1/2	-1/8	8 1/4	2 1/2	Technicolor....	3 1/2	-3/8
44 1/2	29 1/4	Hazeltine 1.40b.	33 3/4	+1 1/4	5 1/2	3 1/2	Trans-Lux .20g.	3 1/4	-1/8

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

Bid		Asked		Bid		Asked		
Advance Ind.....	1 1/2	2	Magna Theatre.....	1 1/2	2	Maxson (W. L.) .05	4 1/2	5 1/2
Aerovox.....	3 1/4	3 3/4	Meredith Pub 1.80a	29 1/2	31 1/2	National Co. (4% stk)	10	11 1/4
Airborne Inst.....	33	36	Official Films 10.	1 1/2	1 1/4	ORRadio.....	15 1/4	16 1/2
Altec Co .80.....	8	8 1/4	Packard-Bell 50.	11 1/4	11 3/4	Panellit.....	4 1/2	4 3/4
AMP Inc .50.....	17 1/2	19	Phillips Lamp (14% of par)	31	33	Reeves Soundcraft (stock)	2 1/2	2 1/2
Amplex.....	44 1/2	46 1/4	Sprague Electric 1.20.	26	28	Sprague Instrument 1.20.	29 1/2	31
Chesapeake Ind.	2 1/2	2 3/4	Tele-Broadcasters.	2 1/2	3 1/2	Telemetering.....	5 1/2	6
Cinerama Inc.....	1 1/4	1 1/2	Telechrome .30.	5 1/2	6	Telecomputing.....	3 1/2	4
Cinerama Prod.	25 1/2	25 1/2	Teleprompter (stock)	5 1/2	6 1/4	Time Inc. 3.75.....	56 1/4	58 1/4
Conu Electronics	7 1/2	9	Top Industries (stock)	10	10 1/2	Tracerlab.....	5 1/2	6
Collins "A" .35.	13	14	Travler.....	1 1/2	1 1/2	United Artists	3 1/2	3 3/4
Collins "B" .35.	12 1/2	13 1/4	Varian Associates	17 1/2	18	Victoreen Inst.	3 1/2	4
Crig Systems.....	4	4 1/2	Webcor 25g.....	11 1/4	13	Wells-Gardner	5 1/2	6 1/2
DuMont Bcstg.	7 1/2	8 1/2	WJR .50d.....	11 1/2	12 1/4			
Eitel-McCullough (5% stk)	22 1/2	24 1/2						
Elc Assoc (stk)	34 1/2	37						
Erie Resistor 40b	6 1/4	7 1/2						
Giantini, G. M.	14 1/2	16						
Gross Telecasting 1.60.	14 1/2	16 1/2						
Hewlett-Packard.	17 1/4	18 1/4						
Hycor.....	2	2 1/2						
Indiana Steel Products 1.20a.	18 1/4	18 3/4						
Jerrold.....	1 1/2	2 1/4						
Ling Indus.....	5 1/2	6 1/4						
Leeds & Northrup .60b	19 1/2	21						
Machlett Labs .25g	11	11 3/4						

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Do You Know That . . .

FRANK STANTON, though he sits on the boards of directors or trustees of some twoscore business, educational and philanthropic organizations, has spent all of his business life in the service of CBS? Except for youthful odd jobs and instructorships while doing postgraduate work at college, his entire career since leaving the academic cloisters (Ohio Wesleyan, B.A. '30; Ohio State, M.A. '32 and Ph.D. '35) has been centered in the company whose research staff he joined in 1935 and over which he now presides. And do you know that he ranks second only to Chairman Wm. S. Paley in number of CBS voting shares owned by any officer-director—108,266 "A" and 31,917 "B," at last report?

His Doctor of Philosophy thesis, unpublished, was titled "A Critique of Present Methods and a New Plan for Studying Radio Behavior." He was later to be first to develop and use an automatic recording device, placed in home radio sets, to obtain accurate records of radio set operation. He conducted early research in comparative measurement of "eye vs. ear," and his Master of Arts thesis, published in the *Journal of Psychology* Dec. 1935, was on "The Influence of Surface and Tint of Paper on the Speed of Reading." Another high-dome analysis he published in 1932 was a study of silent films, titled "Some Psychological Reactions to Emotional Stimuli."

While working on theses, he wrote several articles on penetration and effects of radio in certain Ohio counties at the behest of the then editor & publisher of *Broadcasting*, now publisher of this journal—and these brought him to the attention of CBS management, we were informed at the time by the late Paul Kesten, CBS exec. v.p. and himself an up-from-the-ranks advertising research man. Dr. Stanton (who uses the title seldom, and only to distinguish himself from a stock market letter tipster of the same name) came to CBS's research staff straight off the campus 23 years ago, became research director in 1938, adv. director 1941, v.p. & gen. mgr. 1945, president 1946.

A demerol for concentrated work—his office lights are burning long after all others have left the executive suite—and a genius for leadership and decision key Frank Stanton's success. It's just plain modesty when he tells friends, "It's easy when you have a boss like Bill Paley." True, the CBS chairman, who shuns limelight and publicity, has given him his head; it was Stanton, for example, who negotiated and closed the record \$20,000,000 Philadelphia WCAU stations deal last month. But that's only part of the story of the rise of the industry's most remarkable of younger executives from a 4-figure salary to \$300,000 a year now—to say nothing of 39 directorships & trusteeships. These are in such diverse enterprises as New York Life Insurance Co., 244-254 West 52 Corp., American Heritage Foundation, Sigma Xi; and these do not include public services, such as his membership on the advisory panel of the Gaither Committee.

He's modest and retiring, withal, and his biography in the latest *Who's Who in America* consists of exactly 5 lines where it could run a column. It reveals he was born in Muskegon, Mich., March 20, 1908, which means he won't hit 50 for couple of months; he married Ruth Stephenson Dec. 31, 1931. And the only one of his multifarious extra-curricular activities he chose to record was his chairmanship of the board of the Center for Advanced Study of Behavioral Sciences.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

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Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — January 18, 1958

ANTI-PAY-TV action by House Commerce Committee is expected, as hearings begin with sharply critical questioning of FCC; Harris may introduce bill (pp. 1 & 5).

CBS-TV POLICIES BACKED UP by affiliates, supporting Stanton-Salant opposition to Barrow Report and pay TV (pp. 3, 4 & Special Supplement).

NETWORK TV BILLINGS gain 9% in Nov. 1957 over Nov. 1956, ABC pacing relative increase with 22.1%; cumulative 11-mo. total is up 5.2% (p. 5).

CRITICISM OF RATINGS as reason for excess of whodunits, westerns and quiz shows may spark Senate inquiry into programming (p. 6).

FCC IS REPRIEVED from attack by Moulder subcommittee; House hearings in probe of 6 regulatory agencies will have "general" scope (p. 6).

ILLEGAL BOOSTERS ruining TV reception in Northwest areas, NCTA studies indicate; AMST urges interference safeguards in vhf booster comments (p. 8).

BASEBALL TV PROTESTS carried to Washington by minor leagues, but they score zero in fight against Sunday big-league games on CBS-TV (p. 8).

DO YOU KNOW THAT industry is studded with names of football greats of past, including All-Americans? (p. 9).

SUBLIMINAL ADVERTISING demonstration leaves Congressmen, FCC, FTC in the dark as to effectiveness; govt. action unlikely in near future (p. 10).

Manufacturing-Distribution

TV INVENTORIES IN GOOD SHAPE at year end; 1957 retail sales off 4% to 6,725,000. Big Dec. retail sales zoom home radio to 8-year high (p. 12).

NEW DEALER MATURITY manifest at NARDA Convention as speakers concentrate on analytical approaches to cost cutting, better margins, etc. (p. 12).

EDUCATION OF DEALERS, heading for high levels of scientific merchandising, challenges factory men to upgrade own knowledge of modern retailing (p. 13).

ANTI-TOLL TV TIDE RISES IN CONGRESS: On basis of subscription-TV hearings this week -- with network presidents yet to take stand Jan. 21 to expound their arguments that fee and free can't coexist -- it now seems probable that House Commerce Committee will ask House action on bill to cancel FCC's proposed pay-TV tests and let Congress decide future of subscription TV.

That's our sizeup after attending 4 days of hearings at which the Committee questioned FCC closely and heard testimony of prime toll-TV proponents Zenith, Skiatron & Telemeter as well as opponents NAB & Rep. Celler (D-N.Y.). It's also based on our own discussions with Committee members.

Though half-dozen bills to ban pay TV are now in Congressional hopper, best bet is that Committee Chairman Harris (D-Ark.) will introduce own bill or resolution as soon as hearings are over -- and this is the one Committee will approve. Harris personally feels it will be impossible to call off tests, once started.

It's obvious Committee has already caucused on pay-TV issue, at least informally. One member told us he thinks that all except one of the Committee's 32 members are opposed to subscription TV -- though other members have indicated they are, at least officially, as yet "undecided." Some members are freely predicting that the "Harris bill" -- as yet unintroduced -- will easily be approved by Committee.

Climate on Capitol Hill with regard to pay TV thus has changed rather sharply between sessions of 85th Congress -- at least within the House Committee responsible for overseeing FCC -- from an almost studious avoidance of the issue to what now looks like rather fierce opposition. Factors obviously more important than current hearings are hard-hitting educational campaigns by networks & NAB, increasingly anti-

pay grass-roots sentiments as expressed by public opinion polls and letters to lawmakers -- and strong position of AFL-CIO against on-air toll systems. Latter can't be ignored as significant factor, particularly in industrial Congressional districts.

Whether anti-toll bill will get through Congress is still up-in-the-air question, particularly in view of fact that the Senate counterpart of Rep. Harris' Committee is split wide open on the issue. Chairman Magnuson (D-Wash.) repeated his espousal of tests as recently as 4 weeks ago (Vol. 13:51).

* * * *

Commission's 3 days of testimony before Committee this week didn't give much aid & comfort to fee-TV proponents. Impression conveyed in their testimony was that majority was more-or-less forced to agree to tests by mere fact of Congressional inaction -- and that Commission wouldn't feel the least bit put-upon if fee-TV ball were suddenly intercepted on Capitol Hill.

Legality of Commission's tests was subject of heavy questioning, Doerfer conceding that court test was certain and that it was possible FCC would be overruled. This opened way for questioning by several Congressmen as to whether it wouldn't be better for Congress to legislate now, rather than leave issue to the courts.

Questioning by the 12-18 Congressmen present at most of the heavily-attended hearings was sharp, generally critical of subscription TV. From all witnesses -- including commissioners -- lawmakers demanded hard facts: How much would it cost the public? What will pay-TV use for programming? Why haven't there been large number of applications? Doerfer carefully avoided being maneuvered into position of defender of subscription TV, explaining Commission has merely indicated "a receptive disposition to authorize a controllable test of subscription TV under conditions in which it could enrich, but certainly not destroy" present TV programming.

Including commercials? Polled by Committee, commissioners were vague on this point -- Doerfer, Lee & Ford saying they opposed advertising during test, but preferring not to be committed in case of regular pay-TV authorization. Bartley & Hyde said they didn't want to commit themselves. Doerfer did add that FCC might have to consider requests to permit ads if it authorized regular fee-TV service.

Whether FCC would regulate toll-TV rates was another problem disturbing Committee. Doerfer said Commission would have power to insist that stations adhere to rate schedules submitted in application, since any variation would be "misrepresentation." As to direct rate control, he said FCC might have to ask Congress.

Zenith, Skiatron & International Telemeter -- represented by attorneys Theodore Pierson, James M. Landis & Paul Porter, respectively -- pinned their basic pro-toll-TV arguments to slogan, "Let the public decide." Of the 3, only Zenith said flatly and unequivocally that it plans to franchise its full quota of 3 on-air toll test applicants. Landis said Skiatron was "very much interested" in tests.

Telemeter believes wired system "holds the greatest hope for immediate progress," said Porter, and while it favors FCC's decision to conduct tests, it finds test conditions "complex and onerous." He said wired systems could later be integrated into on-air systems -- when and if full-scale toll-telecasting is authorized.

There was considerable fencing between the very savvy toll-TV attorneys and the Congressmen in search of hard facts -- but few, if any, previously undisclosed details came out. During entire session, tenor of Congressmen's questioning was openly dubious of idea of fee-TV tests -- particularly Chairman Harris and Reps. O'Brien (D-N.Y.), Alger (R-Tex.), Dollinger (D-N.Y.), Dingell (D-Mich.).

Hearings will resume Tue. Jan. 21 with 3 network presidents, and are scheduled to end next day when large number of witnesses are slated to be heard. [For tentative list of witnesses and other pay-TV news, see p. 5.]

Note: Network presidents will be on Capitol Hill again late next month or early in March. Senate Commerce Committee's communications subcommittee under Sen. Pastore (D-R.I.) hopes to open hearings last week in Feb. on bill by Sen. Smathers (D-Fla.) to bar broadcasters from music publishing or recording business (Vol.13:34).

AFFILIATES SOLIDLY BACK CBS-TV POLICIES: Everyone concerned with preserving a free TV system in a free economy will do well to pay special heed to 2 documents we publish as a Special Supplement to this edition of The Digest -- the high policy talks by CBS president Frank Stanton and by the man he calls "my good right arm," v.p. Richard S. Salant, before this week's CBS-TV affiliates conference in Washington.

They set forth so clearly and vigorously the mutual economic and political problems confronting the telecasting industry as a whole that we felt their words shouldn't be taken out of context and that a mere "digest" wouldn't do them full justice. Pity is that time, space and other news breaking this week -- mainly the pay-TV hearings on Capitol Hill (p. 1) -- do not permit similar textual treatment of other noteworthy talks, for there were some very important ones (see p. 4).

Over-all, the impression gained attending most of the sessions and in corridor talks with scores of affiliates was that they intensely admired the galaxy of keen young network leaders gathered around Stanton; that they stood four-square back of CBS policies in general; that their business was fairly good to good, for which they gave due credit to the network whose competitive zeal has contributed so much to the advancement of American TV; that they share with the network itself a self-confidence, almost a cockiness, that can best be expressed thus: "We know we're good." They continue to call theirs "The world's No. 1 network."

* * * *

If there's any doubt that the affiliates stand behind CBS in its vigorous opposition to the Barrow Report and to pay TV, it is allayed by the resolutions unanimously adopted at the convention's close. These called both contrary to the public interest, supported the Stanton-Salant thesis that there's "no public demand, no disease to cure" in the Barrow proposal to "fractionate" network operation.

It's reasonable to anticipate ABC, NBC and their affiliates will take very much the same position. The Salant rebuttal, while indeed self-serving to the network, struck a responsive chord among affiliates as its arguments demolished proposals for sweeping new govt. controls over business aspects of advertiser, station and network relationship. Said WTOP-TV's John Hayes, summarizing affiliates' views on the Barrow Report, "If affiliates, networks and the affiliate-network relationship are not to be weakened, to the ultimate detriment of the American public, we must act together to meet this attack head-on."

Our own belief is that, unless there's a hue and cry in Congress for the Barrow proposals, there isn't the proverbial Chinaman's chance of their adoption in anywhere near their present form, if at all. But the telecasters can't afford to sit back complacently, that's sure. That they have the ear of Congress as well as the eyes & ears of the populace goes without saying. And the "lobby" aspect of the first affiliates' conference in Washington, even as the pay-TV hearings were starting, was overt and candid -- and chances are more such meetings will be held here.

By far the vast majority of Senators and Congressmen, most with their wives, attended CBS's banquet and star-studded show, evidencing the importance they place on TV. As a prominent Congressman's wife remarked to ours, as they exchanged notes on the constant dining-out demanded of public officials here: "This is one we simply couldn't miss." We'd prefer to construe this remark as meaning they knew it would be a worthwhile and pleasurable evening with CBS as host -- though a cynic might say they turned out in such force because they wanted to cotton up to the network.

* * * *

It was a superb show -- with Art Linkletter, Danny Thomas, Patti Page, Phil Silvers troupe, big orchestra, bigger chorus-line, and even with Gunsmoke's Matt Dillon, big Jim Arness taking bow. And luncheon speeches by Vice President Nixon and Senate majority leader Lyndon Johnson made the press wires in a big way. But the important part of the convention, from the network & station executives' points of view, centered on the trade talks (more on p. 4).

Some Noteworthy Speechmaking: Highlighting the 4th annual CBS-TV affiliates conference in Washington Dec. 13-14 were the Stanton-Salant speeches (see Special Supplement herewith)—but there were also some important and noteworthy talks by others. Probably the most significant, from a high policy standpoint, were those of John Hayes, pres. of *Washington Post's* WTOP-TV, unequivocally opposing the Barrow Report and leading to the unanimous resolution to that effect; a second speech by v.p. Dick Salant tearing subscription TV apart, and the devastating indictment of tollvision by Tom Chauncey, mgr. of the Gene Autry stations in Arizona, who also distributed a mock "special Jan. 13, 1963 edition" of *Phoenix Sun* bannered "Pay-V Kills Free TV."

CBS-TV sales v.p. William H. Hylan's speech, indicating the easy-buck days are giving way to short-term contracts and month-to-month business uncertainties, was of a piece with corridor talk to the effect that the sales curve, while still rising, is going up much more slowly than before. Network TV generally amounts to about one-fourth of the average well-placed station's revenues, spot 50%, local 25%—and typical 1957 rises in over-all totals we heard about ranged from 3% to 6% over 1956, though one fortunate telecaster claimed 35%.

Program v.p. Hubbell Robinson Jr. defended present program efforts, admitting inadequacies and failures but suggesting the telecasters can "walk proudly, confident [their] contribution to American happiness, information and education is a substantial and enlarging one." He also conceded respected competition from ABC and NBC. Station relations-engineering v.p. William B. Lodge re-

viewed status of video tape, network circuits for DST, color (see below).

Programs also had an important spokesman in F. Van Konynenberg, exec. v.p. of WCCO-TV, Minneapolis, suggesting networks "scout" their stations more for program ideas. News was covered by CBS-TV v.p. Sig Mickelson and ex-FCC Comr. Jack Jett, now v.p. of *Baltimore Sun's* WMAR-TV, Baltimore. Promotion had spokesman in John Cowden, network's operation director, adv. & sales promotion; W. D. (Dub) Rogers, KDUB-TV, Lubbock, Tex.; Norman Knight, exec. v.p., WNAC-TV, Boston.

Most of the talks were whimsical, yet with underlying veins of seriousness, including those of Edmund C. Bunker, CBS-TV v.p. for station relations and Thomas K. Fisher, network's general attorney, treating otherwise very dry subjects. (Noteworthy present was the popular Herbert V. Akerberg, longtime CBS station relations v.p., and one of the real pioneer builders of the network; Pres. Stanton announced he had recently been released from long hospital siege and was back at work.)

Your trade press may carry adequate summaries or even texts—*Variety* this week had extraordinarily lengthy coverage and *Broadcasting* can be expected to provide coverage in depth. But if any particular talk is up your special alley, we suggest you write the principals, for most of them were prepared in advance and copies are available. This week's *Variety* carried the best headline on the convention story we've seen to date, one that tells a lot of story in itself: "Courtship on the Potomac; Statesmanship at Affil Meet." Author is the ubiquitous George Rosen.

Ultimate in Network Loyalty: Shares of stock in CBS comprised Christmas bonuses to employes of affiliates WCCO-TV & WCCO, Minneapolis, according to exec. v.p. F. Van Konynenburg, reporting to this week's affiliates conference. Gifts totaled 241 shares.

CBS on Color, Tape, DST: Availability of AT&T circuits for Standard Time repeats during Daylight Time this spring and summer is "reasonably certain," CBS-TV station relations & engineering v.p. Wm. B. Lodge told affiliates conference in Washington. He said that while snags could occur, AT&T executives "go so far as to say that the risk of a circuit shortage is so small that they think we are wise in putting a million dollars into a video tape center in New York City."

Tape center, he said, is currently under construction in Grand Central Terminal, and installation of equipment will begin Feb. 15, full operation due by start of DST April 27. CBS-TV now has 7 recorders on hand in Hollywood, 3 in N. Y., will receive 8 more by end of this month, 3 in Feb., 2 in April—for total of 23 units, 9 in Hollywood and 14 in N. Y. CBS engineers will examine Ampex color tape converter in few weeks and as soon as they "see a demonstration of satisfactory performance," CBS will order 2 kits.

Lodge indicated CBS will continue to follow its "middle-of-the-road, be-prepared policy" on color—producing moderate number of color shows but ready to shift to large-scale production "any time there is advertiser or public demand." He added: "Some day the public will agree with us [on advantages of color] and back up their agreement by large-scale purchase of receivers."

Texts of CBS *Years of Crisis* and NBC *Projection, 1958* were printed in Jan. 13 *Congressional Record* at request of Sen. Mansfield (D-Mont.).

Small Stations Petition AT&T: Lower line rates for TV stations in smaller communities are sought in resolution on behalf of CBS-TV's 35 Extended Market outlets and other smaller market outlets, presented at Washington conference this week by Harry C. Butcher, onetime CBS Washington v.p., wartime Naval aide to Gen. Eisenhower, now operator of KIVA, Yuma, Ariz. (Ch. 11) and of radio KIST, Santa Barbara, Cal. His committee includes Rex Howell, KFJX-TV, Grand Junction, Colo. and F. E. Busby, WTVY, Dothan, Ala. It notes that AT&T and regional subsidiaries have "wide latitude of charges [which] often reflect an economically unsound assessment for services involving the use of inferior facilities" and asks readjustments so that small stations can afford to bring network service to their communities—particularly since FCC won't license stations' own intercity circuits if common carrier facilities are available.

Justice Dept.'s network probes are "far from complete," Deputy Attorney General Walsh advised Chairman Magnuson (D-Wash.) of Senate Commerce Committee, who asked last Aug. for interim progress reports on TV anti-trust investigations. Walsh indicated in letter that investigations of such network practices as "must buy" and "option time" would continue until next fall, at least.

TV for straphangers is part of formula offered by Transport Workers Union boss Michael J. Quill for luring millions of riders into New York's subways. As he outlined it at subway wage contract signing ceremony Jan. 15, every car would be equipped with TV sets, air conditioning and washroom facilities.

Scrambled Wire TV: While House Commerce Committee delved into broadcast pay-TV issues this week (see p. 1), Selectivision Inc. said it was proceeding to put first scrambled-picture closed-circuit toll-TV system in operation Jan. 31. Led by entrepreneur J. T. Hamilton, it proposes to use existing community & master apartment antennas, show 1957 movies in partnership with theatre owners, have systems hooked up by end of month in N. Y., Chicago, Wilkes-Barre, Bridgeport, Pittsfield, Mass., Sarasota, Fla. Service would be free until April 1, when telemetering devices would be used to collect 150% of single theatre ticket price from home user.

We asked Bernard L. Goldenberg, asst. to pres. Hamilton, whether Selectivision has agreement with movie producers. His reply: "Do you think we would spend \$4,500,-000 on this if we didn't?" Other toll-TV developments:

(1) Only operating wired toll-TV system—Bartlesville, Okla. project, which doesn't use scrambled picture—began trial of metered per-program charges as alternative to flat \$9.50 monthly fee for home movie service. Video Independent Theatres offered prospective subscribers choice of flat charge for 30-odd movies on 2 channels or meter at \$3.50 per month plus 65¢ for each film seen in excess of any 5 selected on either channel. Video pres. Henry S. Griffing said it would take "at least" several weeks to tell whether subscribers prefer meters.

(2) Televents Inc., which plans cable-theatre operations in many communities in Rocky Mt. states, won non-exclusive franchises for 2 Denver suburbs—Aurora & Littleton—and got initial approval for Edgewater, Colo.

(3) Hialeah officials were reported ready to refuse 30-year wired-TV franchise sought by Tele-Movies of Fla.

(4) Wireview Inc. came up in San Francisco with proposal for Chinese-language wired system for films & educational programs to serve 35,000 in city's Chinatown.

* * * *

Toll-TV Witnesses: At week's end, House Commerce Committee's pay-TV hearing (see p. 1) was behind schedule, appeared likely to run past Jan. 22 scheduled windup. The 3 network presidents are due to testify Jan. 21.

Jan. 22 has been set aside for others who have asked to testify. At Committee's request, some filed statements. The following asked to be heard: Joint Committee on Toll TV; Thomas F. O'Neil, RKO Teleradio; Lou Poller, WCAN-TV, Milwaukee (off air); Milton Shapp, Jerrold Electronics; Byron Bentley, *Theatre Arts Magazine*; Raymond Kohn, WFMZ-TV, Allentown, Pa. (off air); Irving Ferman, ACLU, Wilton Radford; Harvey Rosenberg, American Citizens TV Committee; George Kuyper, Chicago Symphony; Rep. Baldwin (R-Cal.).

Statements were being filed by Theodore Jones, WCRB, Boston; Frank Lyman, WTAO-TV, Cambridge-Boston (off air); Malcolm S. Knowles, Adult Education Assn. of USA; Harold Thomas, WATR-TV, Waterbury, Conn.; Harold Koplak, 220 TV Inc., St. Louis; C. C. Caveny, U of Ill.; Harry E. Franks, Trans-American TV Enterprises Inc., Boston; T. F. Flanagan, Harrison, N. Y.; Wilton E. Hall, WAIM-TV, Anderson, S. C.; J. R. H. Wilson, WMIT, Charlotte, N. C.; Bernard Weitzer, Jewish War Veterans; Fred Nahas, KXYZ, Houston.

About 16 others who originally asked to be heard have not responded to Committee request to file statement.

Network Television Billings
November 1957 and January-November 1957
(For Oct. report see *Television Digest*, Vol. 13:50)

ABC-TV BILLINGS LED again—percentagewise—in network figures for Nov. 1957, increasing 22.1% (\$8,-079,932 vs. \$6,619,109) from Nov. 1956, according to Publishers Information Bureau. CBS-TV billings same month went up 8% (\$21,449,468 vs. \$19,866,463) from year earlier; NBC-TV, 5.2% (\$18,511,686 vs. \$17,593,056)—total network gain averaging 9%. Cumulative 11-mo. 1957 gain by 3 networks over 1956 period was 5.2% to \$466,502,-173—CBS-TV increasing 7%, ABC-TV 6.3%, NBC-TV 2.6%. The complete PIB report for Nov.:

	NETWORK TELEVISION					
	Nov. 1957	Nov. 1956	% Change	Jan.-Nov. 1957	Jan.-Nov. 1956	% Change
CBS	\$21,449,468	\$19,866,463	+ 8.0	\$217,346,635	\$203,124,982	+ 7.0
NBC	18,511,686	17,593,056	+ 5.2	174,698,900	170,254,402	+ 2.6
ABC	8,079,932	6,619,109	+ 22.1	74,456,638	70,026,679	+ 6.3
Total	\$48,041,086	\$44,078,628	+ 9.0	\$466,502,173	\$443,406,063	+ 5.2

	1957 NETWORK TELEVISION BY MONTHS			
	ABC	CBS	NBC	Total
Jan.	\$ 6,715,581	\$ 20,231,474	\$ 16,554,941	\$ 43,501,996
Feb.	6,175,488	18,309,088	14,900,631	39,385,207
March	6,848,848	20,172,173	16,631,974	43,652,995
April	6,682,786	19,385,098	15,154,388	41,222,272
May	7,258,807	20,307,762	15,811,033	43,377,602
June	6,413,708	18,356,892	14,746,537	39,517,137
July	6,348,496	18,537,069	13,874,872	38,760,437
Aug.	6,134,380	18,240,823	14,473,677	38,848,880
Sept.	5,704,888	19,935,115	15,286,270	40,926,273
Oct.	8,093,724	22,421,673*	18,752,891*	49,268,288*
Nov.	8,079,932	21,449,468	18,511,686	48,041,086
Total	\$74,456,638	\$217,346,635	\$174,698,900	\$466,502,173

* Revised as of Jan. 14, 1958.
Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 25%. However, they're generally accepted in the trade as an index.

Largest closed-circuit hookup in history, comprising 250 theatres in 200 U.S. & Canadian cities, is predicted by Teleprompter for March 25 Basilio-Robinson title bout in Chicago. Event marks Teleprompter's debut in theatre-TV prizefight field, all previous bouts having been handled by Theatre Network TV, which was outbid for closed-circuit rights to this match. Teleprompter guaranteed International Boxing Club a seating capacity of at least 500,000 and minimum receipts of \$275,000. Teleprompter will receive 50% of theatre receipts and will pay IBC 80¢ to \$1.55 per seat, depending on price of seats (generally \$3-\$5). Home TV won't carry fight, nor will Chicago area theatres.

Assn. of Radio & TV News Analysts came out this week with *Preliminary Report on the Outlook for Public Service Broadcasts* which sees broadcast pay-TV as "virtually inevitable" and fears that news programs would suffer under system. Written by ex-CBS commentator Wm. Costello, report said FCC "has never been weaker nor more politically minded" than in handling issue, asserted networks' anti-pay-TV attitudes are "entirely tactical." In foreword, Assn. pres. Quincy Howe calls for Congressional appropriation for "comprehensive study" of news & public affairs programs by FCC.

Radio Free Europe needs \$10,000,000 this year to continue Crusade for Freedom "truth broadcasts" to 5 Iron Curtain countries, said Westinghouse chairman Gwilym A. Price, new chairman of privately-financed organization.

Ratings—'Sermon on the Mount'? Watch for attacks on season's plethora of mystery, western and quiz shows—and the ratings which attest their popularity—during present session of Congress. Possibility of hearings by Pastore subcommittee of Senate Interstate Commerce Committee is also hinted by Sen. Monroney (D-Okla.), its ranking member, who is particularly hot under collar about ratings, says opinions sought from a miniscule segment of audience can't be right, thinks telecasters are inclined to regard them as "some sort of Sermon on the Mount."

"What about the public?" he asks. "It can't look at 2 TV sets at once, as on Sun. when we get top shows opposite each other. News handling is consistently good, as are the spectaculars, but there must be room for more shows like *Voice of Firestone* and *Telephone Hour*, instead of so much junk 5 nights a week, some of it so crowded together that there's nothing for it but to turn off your set. A certain amount of it may be all right, but I've taken my own polls in my state and they don't support the idea that whodunits, cowboys and giveaways should be so rampant on station schedules."

It's coincidence that a sort of refutation came at this week's CBS affiliates meeting by network's program v.p. Hubbell Robinson Jr., who observed:

"There are the bumlbers and the babblers . . . any week's programming contains some peppermint candy drama, some comedy that lacks bite and point, some quiz shows distinguished largely by their frantic attempts to unload money in the easiest way possible, and some spectaculars that started out to be thunderbolts and wound up as short circuits.

"But let me also suggest to you that you examine this week's or this month's, or any week's or month's total TV schedule. I think you will find that during the evening hours which have been most severely attacked there is not a night when the public cannot find at least 2 hours of skilled, professional, high-level entertainment. It may not all be on one network—it probably won't be—but it is there, and it is there with an amazing consistency."

NAB agenda for Jan. 22-24 board meeting at Camelback Inn, Phoenix, includes: Jan. 24 (joint board)—Washington legislative-govt. status, ad taxes, budget, public relations expansion, membership campaign proposal, convention, news access. Jan. 23 (TV board)—pay TV, audit TV circulation study, TV allocations, TASO progress, proposed Congress probe of military spectrum use, music licensing. Jan. 22 (radio board)—committee reports on AM-FM radio, good practice standards, membership.

Broadcasters Promotion Assn., out to increase membership, names 1958 committee for drive: James Kiss, WPEN, Philadelphia; Ken McClure, WMBR-TV, Jacksonville; Marian Annenberg, WDSU-TV, New Orleans; Roy Pedersen, WDAY-TV, Fargo; Montez Tjaden, KWTW, Oklahoma City; Janet Byers, KYW-TV, Cleveland; James Barker, KBTW, Denver; Edward Morrissey, KIMA-TV, Yakima, Wash.; Harvey Clarke, CFPL-TV, London, Ont.

J. Elroy McCaw, owner of KTVW, Tacoma, 50% of KTVR, Denver, 25% of KONA, Honolulu and chief owner of radio WINS, N. Y., has sold his interest in Seattle Americans hockey team to local syndicate, is now working with group to bring big league baseball to Seattle.

FCC Probe Sidetracked: Badly split on own procedures, sleuthing House Commerce legislative oversight subcommittee headed by Rep. Moulder (D-Mo.) voted this week to open "general" hearings Jan. 27 on procedures & practices of 6 regulatory agencies, removing FCC as immediate target of investigation (Vol. 14:2).

In switch from earlier plan to open up on FCC, subcommittee agreed "unanimously" on broad survey of overall agency functions instead, said Moulder after all-day closed meeting. But subcommittee counsel Dr. Bernard Schwartz—supported by Moulder & other Democrats, angrily opposed by Republicans in 9-member group—wanted to delve at once into possible irregularities within FCC.

Schwartz said questioning of Commissioners would disclose, for instance, that manufacturers have "loaned" color TV sets to some of them for use in homes—fact which Chairman Doerfer readily acknowledged when questioned by reporters later. Doerfer said there was "nothing secretive, furtive or clandestine" about it.

No concrete evidence of illegalities or official misconduct within FCC was offered by Schwartz to subcommittee, Moulder conceded. And Rep. O'Hara (R-Minn.), ranking minority member who argued against singling out FCC for attack, said allegations he'd heard so far were "bloodless."

As finally approved by subcommittee, agenda for long-delayed public hearings calls for: (1) Inquiries into any inadequacies of enabling statutes setting up agencies. (2) "General discussion" of licensing and other quasi-judicial functions of agencies. (3) Study of relations of FCC, CAB, SEC, FTC, FPC, ICC with legislative, executive & judicial branches of Govt.

"Anything might develop at the hearings," Moulder observed, however. He said FCC "will be called up as the other agencies will be called up," adding: "The idea that there is any attempt to conceal—there is no foundation for that whatsoever."

House Commerce Committee Chairman Harris (D-Ark.), who sat in on subcommittee's executive session, was known to have counseled more restrained approach to public probe than that advocated by Moulder & Schwartz.

Speaker Rayburn (D-Tex.), who last spring sponsored bill authorizing investigation, also favored "general" probe in hearings. "This is no pin-pricking outfit," he said of subcommittee. Rayburn told reporters its assignment is to find out whether these agencies operate as Congress intended—not just to expose an official "who sold himself for a lunch."

Argentina's lone TV station finally appears due to come under private ownership as Govt. seeks to pull plug which has blocked development of commercial TV there. Provisional Govt. has called for bids on Buenos Aires' LR3-TV (Ch. 7)—inherited from Peron regime—and announced it will accept applications for 3 more commercial stations in Buenos Aires and 6 in interior. At the same time, Govt. asked bids for 55 federally-owned radio stations.

Damage suit for \$800,000 against NBC and sponsor Mennen Co. was filed in Los Angeles Federal court this week by Navy Comdr. Kenneth D. Strickler, alleging "One Minute to Ditch" on *Robert Montgomery Presents* last March 25 portrayed him as "dull, boorish & rude." TV drama was based on 1956 ditching of Pan American strato-cruiser on which Strickler was passenger. He said he gave no clearances permitting portrayal.

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Personal Notes: Walter D. Scott appointed NBC-TV v.p., network sales, succeeding v.p. Wm. R. Goodheart Jr., resigned, who goes to Phoenix to handle personal business; Don Durgin succeeds Scott as v.p., national sales mgr., with Dean Shaffner, now director of sales planning, taking over Durgin's current duties . . . Davidson Taylor, NBC-TV v.p., public affairs, also onetime CBS v.p., resigns Feb. 1, plans new activity to be announced . . . Jerome B. Golden promoted to secy. & gen. counsel of AB-PT, succeeding Herbert B. Lazarus, resigned (Vol. 13:50) . . . Emanuel (Manie) Sacks, NBC & RCA v.p., seriously ill in Einstein Medical Center, Philadelphia . . . Robt. E. Kintner, NBC exec. v.p., and Arthur Hull Hayes, pres. of CBS Radio, appointed TV-radio chairmen, respectively, for Brotherhood Week of National Conference of Christians & Jews . . . Arthur Hamilton, mgr. of radio WRCA, N. Y., appointed TV-radio div. chairman of 1958 Boy Scout fund campaign . . . Miss Alice Stamatis promoted to sales service director of ABC-TV . . . James Z. Gladstone, ex-NBC, named MBS controller; Murray Grabhorn, network and rep veteran, joins MBS Jan. 20 and Eugene Fitts rejoins as station services director . . . Ronald J. Pollock named sales development supervisor of WPIX, N. Y. . . R. Morris Pierce, managing director and founder of Corinthian's WANE-TV & WANE, Ft. Wayne, named v.p. & gen. mgr., with radio mgr. Reid G. Chapman reporting to him . . . Raymond E. Carow promoted from sales mgr. to gen. mgr. of WALB-TV, Albany, Ga. . . Dick Drummy Jr. promoted to national sales mgr. of WFAA-TV, Dallas; Bob King to local & regional sales mgr., Tom Palmer to program & production mgr. . . John Portfield resigns

ADVERTISING AGENCIES: Henry Mayers, head of Los Angeles adv. agency bearing his name, now Mayers div., Cunningham & Walsh, receives annual award of Western States Adv. Assn. at annual banquet Jan. 20 . . . Edward C. Fleri named by BBDO to newly-created post of supervisor, spot TV-radio buying, will also assist in media planning . . . Don Tennant and Jack Hirschboeck promoted to v.p.'s in TV commercial dept., Leo Burnett Co., which adds Chet Glassley and Robt. Wickersham, both ex-Hollywood . . . Dan Packard, ex-Kelvinator, ex-McCann-Erickson, named v.p.-marketing director of Geyer Detroit office . . . Robert Gibbons, TV-radio mgr. of McCann-Erickson, named v.p.-marketing director of Geyer Detroit group account head . . . Joseph H. Newman promoted to media director of O. S. Tyson . . . Harry D. Way, ex-Warwick & Legler, joins Erwin Wasey, Ruthrauff & Ryan as v.p., media director & plans board member . . . Theodore O. Tostlebe, ex-KWWL-TV & KWWL, Waterloo-Cedar Rapids, named TV-radio director of Wesley Day & Co., Des Moines . . . Al Smedley, ex-RCA, joins Arndt, Preston, Chapin, Lamb & Keen Inc., Philadelphia . . . Curtis Berrien, senior v.p., named creative director, Al Goodman copy chief, Reach, McClinton.

from WJMR-TV, New Orleans . . . Prof. Garnet R. Garrison, U of Mich. director of TV, named director of broadcasting in university's now-integrated TV-radio operations; he continues also as professor of speech . . . John S. (Jack) Allen, ex-WTVJ, Miami, joins WPST-TV there as retail sales mgr.; Jack Barry promoted to WPST-TV operations mgr., George Booker to production mgr., Bob Hanna to national sales mgr. . . Steve Halpern named asst. adv. & promotion mgr. of KYW-TV, Cleveland, succeeded as publicity director by Charlie L. Getz Jr., ex-Giants baseball club . . . William H. Hansher promoted to special asst. to Hulbert Taft Jr.; Raymond E. Owen succeeds him as gen. engineering supervisor of WTVN-TV, Columbus . . . John M. Bushnell Jr. promoted to director of engineering, KVOO-TV, Tulsa; John Barth succeeds him as chief engineer . . . Ole Orson named chief engineer of KMOT, Minot, N. D.; Oscar Halvorson promoted to chief engineer of KUMV-TV, Williston, N. D., succeeding Orson . . . George Jelinek, ex-chief engineer of KHOL-TV, Kearney-Holdrege, Neb., named chief engineer of upcoming KDUH-TV, Hay Springs, Neb. (Ch. 4), due to start soon as satellite of KOTA-TV, Rapid City, S. D. . . Jeanette F. Sytsma, ex-Young & Rubicam, named exec. asst. to coordinate media activities with Stephen A. Mann at Intercontinental Services Ltd. rep firm . . . Howard Strickling promoted from director of MGM studio publicity & adv. to adv., publicity & exploitation director of parent Loew's Inc., succeeding Howard Dietz, who continues as consultant . . . Arthur E. Breider, ex-Ziv, appointed central div. sales mgr. of MGM-TV . . . J. R. von Maur named pres. of Depicto Films, N. Y. . . Herb Rosenthal and Berle Adams, MCA TV Ltd. v.p.'s, named directors . . . Edward Reveaux named exec. producer for Teleprompter group communications div. . . Robert Ross Tortoricher replaces Frank Frost, now in charge of new Des Moines office, in Chicago office of Pearson rep firm . . . Bernard G. Bechhoefer, ex-State Dept. foreign officer and authority on atomic energy, joins brother-in-law Arthur W. Scharfeld as associate counsel with Scharfeld & Baron . . . Mrs. Nancy M. Salkin promoted to color coordinator, NBC-TV sales planning . . . Jack Ward Mitchell, ex-ABN, joins CBS Radio as daytime program supervisor.

New president of Radio-TV Correspondents' Assn.—broadcasters accredited to Congressional galleries—is Edward P. Morgan, ABC, who succeeds Robert F. Hurleigh, MBS. Other officers: Julian Goodman, NBC, v.p.; Lewis Shollenberger, CBS, secy.; Ann Corrick, treas. Members at large: Arthur F. Barriault, NBC; Edward P. Ryan, WTOP, Washington; Jack A. Gertz, MBS. New officers will be installed at March 29 annual dinner in Statler Hotel, Washington.

Gilmore N. Nunn, ex-operator of WLAP, Lexington, Ky., still 30% owner of WBIR-TV, Knoxville (Ch. 10), and one-third owner of CP for WCNS, Baton Rouge (Ch. 40), again will attend Inter-American Assn. of Broadcasters convention (this time in Montevideo, Uruguay, March 10-16) as NAB delegate; Harold Fellows, NAB pres., is alternate delegate.

Leonard H. Goldenson, pres. of ABC-Paramount, elected to board of directors of Western Union, with which AB-PT's associated in ownership of Microwave Associates Inc. and Technical Operations Inc. (Vol. 13:51).

Honorary Doctor of Laws degree will be awarded pres. J. W. West of Augusta (Ga.) *Chronicle* and *Herald* (WRDW-TV & WRDW) by Augusta Law School Feb. 1.

VHF Booster Comments: Unlicensed boosters are ruining TV reception in many parts of Pacific Northwest, and legalization of on-channel vhf boosters "could result in substantial impairment if not a complete breakdown of the allocations plan." So said National Community TV Assn. in presenting to FCC engineering studies of illegal booster operations in 2 northwestern states as part of final flurry of comments on Commission's proposal to license on-channel vhf & uhf boosters under strict engineering safeguards (Vol. 13:31-32). Rule-making had been proposed—and deadline extended twice—at request of Gov. Mc-Nichols of Colorado.

Assn. of Maximum Service Telecasters felt Commission's proposed safeguards were inadequate, said if such service were authorized public must be guaranteed present TV service wouldn't be impaired. AMST proposed these conditions:

(1) Repeaters should be specifically restricted to areas remote from TV stations. (2) They should be limited to 1-watt ERP and .1-watt RF output power. (3) They should be licensed as broadcast services. (4) FCC rules must insure that repeaters won't cause interference.

AMST also recommended that each applicant be required to present statement of consent by station whose programs are to be retransmitted as well as statement by each co-channel and adjacent-channel station within the minimum mileage separations from proposed transmitter site, stating that repeater won't cause objectionable interference. Statements would be re-filed once each year.

Sylvania, which has been experimenting for years with uhf repeaters in Emporium, Pa., called proposal "a step in the right direction," but asked that higher transmitter powers be permitted—1 watt for Ch. 2-6, 3 watts for 7-13 and 10 watts for uhf. Triangle Publications (WFIL-TV, Philadelphia et al) asked same powers, also proposed that licensee of "mother" station be given 6

months to establish own repeaters before others are allowed to apply.

Also filing in favor of booster proposal—but with some proposed modifications—were KEYT, Santa Barbara, Cal.; KLZ-TV, Denver; KTVT & KSL-TV, Salt Lake City.

National Assn. of Educational Broadcasters said proposal "might severely inhibit the future expansion of educational TV service," since it's first time Commission has indicated willingness to deviate from mileage separations in allocation plan. "If the Commission authorizes such a service, it should be severely restricted in scope in order to prevent degradation of TV service generally," said NAEB, and FCC "should restrict vhf boosters to those situations where a clear showing can be made that no other method can obtain the desired objective."

NCTA's filing included engineering surveys of illegal boosters in Washington state by engineer George M. Freese of Wenatchee, Wash., and in Montana by engineer Archer S. Taylor of Missoula. Freese's statement cites specific areas where boosters have ruined reception from licensed TV stations. He argues that uhf translator service is far superior—in cost and performance—to both present unlicensed and FCC's proposed vhf booster service. Says Freese:

"There exists currently an alarming amount of interference created by illegal reflector systems, which is not only of academic interest for this report, but is resulting in severe economic injury and loss to many people in the Pacific Northwest, as well as in Canada."

Taylor's survey lists 47 illegal boosters in Montana, with individual reports and appraisals of 24 of them. While he found only a few cases of interference in Montana, he states: "The number of unauthorized TV repeaters is increasing rapidly; these transmitters are not properly identified, operated or installed."

On basis of the 2 engineering surveys, AMST urges that FCC reject vhf booster proposal and require all unauthorized booster services to apply for uhf translators or cease operation.

Two Strikes on TV Battlers: Minor league baseball officials got sympathy—but nothing more—from Congress & Justice Dept. this week in seeking govt. intervention to halt scheduled telecasts of Sunday major league games, which they claim will ruin smaller clubs (Vol. 14:2).

Spokesmen for minors first asked Chairman Celler (D-N. Y.) and Rep. Keating (R-N. Y.) of House Judiciary Committee for legislative help against CBS-TV agreements with 6 major clubs for Sun. "game-of-the-week" programming next season. Both said they were "deeply sympathetic," wanted to "be as helpful as possible." But nobody came up with any proposals for specific Congressional action.

Similar "sympathetic hearing"—and no legal remedy for minors' complaints—was given by Justice Dept. Delegation from minors asked anti-trust div. if anything could be done to revise 1951 ruling that agreements between majors to restrict telecasting of games are forbidden by monopoly laws. No relaxation of rule was offered.

Failures by minor clubs to get to first base in their fight against big-league TV, which they blame for precipi-

tous drop in minor-league gates over past 10 years, were underscored meanwhile by:

(1) Signing of biggest single big-league TV deal yet. N. Y. Yankees sold TV rights to all 77 home games and at least 63 road games to Ballantine (with R. J. Reynolds Tobacco Co. as partic. sponsor) for reported \$1,000,000-plus, to be carried by WPIX, N. Y. Yankees' announcement called this the largest block of time ever purchased for "a single TV property."

(2) TV invasion of big-club territory by another big club. Phillies announced 77 of their games will be telecast by WOR-TV, N. Y. No sponsors were announced, but 2 or more are expected to pick up tab in excess of \$500,000.

(3) Opening of investigation by Justice Dept. into TV restrictions involving another sport. Attorney General Rogers ordered anti-trust div. to look into TV blackout of Detroit imposed by pro football Comr. Bert Bell for Detroit Lions-Cleveland Browns title game.

Translator starts: K80AK, La Grande, Ore. began Jan. 10 repeating KREM-TV, Spokane; K72AO, Jackson, Wyo., Jan. 8 with KID-TV, Idaho Falls; K79AD, Romeo-La Jara-Manassa, Colo., Jan. 15 with KOB-TV, Albuquerque; K78AH, Joplin, Mont. begins Jan. 19 with CJLH-TV, Lethbridge, Alta.

Do You Know That . . .

SOME OF FOOTBALL'S great names are identified with the TV-radio industry—and not all of them as sportscasters, either?

Best known, of course, are the All-Americans who became TV-radio sportscasters and commentators—like Illinois' Red Grange, Columbia's Marty Glickman, Michigan's Tom Harmon, Northwestern's Otto Graham, Vanderbilt's Pete Gracey, Notre Dame's Frank Carideo, Joe Boland, Al Coupee. Gracey is with WSM, Nashville, Joe Boland with WSBT, South Bend. Most often and widely heard probably is Southern Methodist's Doak Walker, who does the Vitalis commercials.

Intra-industry, we find several authentic gridiron greats of yesteryear: Lloyd E. Yoder, NBC v.p. in charge of its Philadelphia stations, played tackle 4 years at Carnegie Tech, where he was Walter Camp's selection for All-America, captained team in 1926, wound up with letters also for track (discus, hammer, shotput). He's now on the board of regents of his alma mater.

Bob Reynolds, part owner (with Gene Autry) and gen. mgr. of KMPC, Hollywood, was All-American tackle at Stanford in '35. Gil Berry, v.p.-sales mgr. of WIBC, Indianapolis, was All-American halfback at Illinois in '30 & '32; he was Big Ten choice all 3 years, was recently picked by *Sports Illustrated* for its 25-year All-America Roster of ex-athletes outstanding for successful career combined with community service.

Leslie Arries Sr., ex-DuMont, was also a Walter Camp All-American lineman at Northwestern a generation ago; his son, Leslie Jr., now heads TV operations of WHDH-TV, Boston.

Jim Crowley, of Notre Dame's Four Horsemen, was one of owners of now-inactive uhf WTVU, Scranton, is presently chairman of Pennsylvania Athletic Commission. At KIFI, Idaho Falls, is owner-mgr. Jim Brady who preceded Frank Carideo as Notre Dame quarterback in 1929; he was All-American choice of *New York Sun*, later coached at Harvard while taking law degree. In Washington, attorney Bailey Walsh quarterbacked the 1923 Notre Dame freshman team that scrimmaged against Crowley and Miller, which may be why he soon gave up football.

ABC's Tom Harrison was a standout halfback at Florida, 1939-41. Joe Elliott, ex-RCA v.p., later pres. of Schick Inc., now v.p. of Tele-Dynamics div. of Raymond Rosen & Co., RCA Philadelphia distributor, was star lineman at Georgia Tech, Class of '25, got some all-star mentions, later played pro football.

Among the Washington attorneys, Morton Wilner, Penn '30, got All-American mentions during his 3 years of varsity quarterbacking, and captained the championship baseball teams of '29 & '30. Seymour (Sy) Krieger, Amherst '34, was varsity center. Parker (Bud) Hancock, Indiana '37, was varsity fullback.

There probably are a lot of others, and we'd like to hear from you about them. Meanwhile, we've gathered dope on prowess of industry people in other sports—and we think we have some surprises in store. Just to give you an idea: Do you know that Henry Clay, who commutes in own plane between his KTHV, Little Rock and KWKH, Shreveport, a '41 cum laude Vanderbilt graduate, won the Southern Golden Gloves lightweight championship while

at college, where he also taught boxing and tumbling? Or that Bob Rawson, in charge of FCC hearing div., was Golden Gloves welterweight champ of the District of Columbia in 1935?

Then there's Charles S. Rhyne, pres. of American Bar Assn., whose firm is identified with TV-radio practice in Washington and who while at Duke ('37) was a hot boxer; he later did some professional boxing and was rated high.

And did you know that Mrs. Vincent Welch, wife of the Washington attorney, while a physical education student at Sargent School, Boston, '39, played on a women's lacrosse team and was rated All-American? She also was a hockey star at Mt. Holyoke, and her husband "Vinnie," Bowdoin '38, 7-letter man in football, swimming & track, captained the Navy boxing team in 1943 while at communications training school in Cambridge.

We'll report on others later.

Telecasting Notes: Even as first big package of post-1948 movies became TV property this week, movie industry groups stepped up campaign to keep recent features from home screens. This week's items: (1) Allied States Theatre Owners Assn. pres. Julius Gordon told press conference that feature showings on TV have everybody in film industry "bleeding to death," and proposed that all film distributors declare 3-year moratorium on all sales to TV. (2) Screen Producers' Guild invited representatives of all factions of movie industry to meeting in Hollywood to map strategy to block TV release of features. (3) Stanley Warner Theatres pres. S. H. Fabian told stockholders meeting that policy of studios trending toward releasing post-1948 films to TV is crucial to future of entire picture business . . . Big post-1948 feature deal formally closed this week was Republic's sale of its 218 films (140 features, 65 westerns, 15 serials) to 6 NBC-owned stations (all of NBC's o-&-o's except Chicago) for a reported \$2,000,000 (Vol. 13:52). There's report that new corporation, Video Artists Inc. (Sig Shore, gen. mgr.; Peter Jaeger, national sales mgr.), is being set up to handle sales of package to other stations . . . Movie exhibitors' group has dropped efforts to raise \$40,000,000 to buy Paramount pre-1948 backlog to keep it from TV . . . No more bulk sales: Whether it was prompted by Justice Dept. "block-booking" anti-trust suit, by sales saturation or just good business sense, AAP (whose sale to United Artists awaits court ruling) has withdrawn from sale 200 of its 750 Warner Bros. features, and is breaking remainder up into 52-film packages to be released at intervals over next few years . . . Only 11 of 78 film productions now shooting in Hollywood are for theatres—remainder are for TV—reports Jan. 11 *N. Y. Times* . . . Syndication rights to 103 episodes of *Lassie* have been acquired by TPA from Jack Wrather . . . Success story: NBC-TV changing name of *Tonight* to *Jack Paar Show*.

St. Louis' KWK got national publicity over AP wires this week when pres. Robert T. Convey gave order to play each rock 'n' roll record in library just once, then smash it so audience can hear. He and his disc jockeys were agreed, he's quoted as saying, that rock 'n' roll "has dominated the music field long enough," estimated they'd exhaust supply of platters in week.

Some 1300 new public relations films, available free to TV stations—along with about 2500 old ones—are listed in new *TV Directory of Free Film*, just published by Broadcast Information Bureau, 535 Fifth Ave., N. Y.

Is Subliminal Criminal? Congressmen, FCC and FTC members saw with their own eyes—or subconsciously—a demonstration of subliminal advertising (Vol. 13:47) this week, and after it was all over there were no more fixed opinions about it than before it started. In their comments to us later, however, there seemed to be less inclination to fear hidden advertising as a possibly lethal weapon in a war of ideas and a feeling that considerably more research is necessary before such advertising should be used.

Certainly there seemed no disposition to legislate or make rules against “hidden sell” techniques—now.

Demonstration was conducted by Subliminal Projection Co. Inc. at studios of WTOP-TV, Washington, before more than 300 spectators, utilizing closed-circuit equipment. FCC had requested station’s cooperation. Except for fact that TV system was used instead of movie projection screen, demonstration was similar to the one we described last Nov. (Vol. 13:47).

Subliminal v.p. and system developer James M. Vicary explained demonstration was run in same manner as his company expects subliminal ads to be used on air. Program used for demonstration purposes was *Grey Ghost* TV film series. At start, announcer made pitch for sponsor, the mythical “Popcorn Industry Assn.,” then told viewers they would be subjected to subliminal advertisements but no further commercial interruptions.

White-on-black slide with message, “Eat Popcorn” was projected and identified as slide which would be flashed at 5-sec. intervals (duration 1/20 sec., brightness about 2% of picture highlight). About 4 min. of film was shown. Nobody in audience raised hand when asked later to indicate if subliminal message had been seen. Message was later changed to “Fight Polio,” and again no one could say he’d seen it or been “stimulated” by it.

With no picture on screen or with picture masked from half of screen, dim message could be seen flashing on and off.

Lawmakers viewing demonstration were Sen. Potter (R-Mich.) and Reps. Dawson (R-Utah), Frelinghuysen (R-N. J.), Friedel (D-Md.)—all of whom have in the past expressed alarm about potential of subliminal advertising. All FCC commissioners except Mack attended showing,

along with top staff members, as did FTC Chairman Gwynne and staffers.

Allowing several days for subliminal messages to “sink in” (Vicary said they sometimes showed up in dreams in 2 days), we queried some observers on their opinions and the impact that the messages had upon them.

Said Sen. Potter: “Either my antenna wasn’t up or it wasn’t working very well. From what I’ve seen, it doesn’t have much effect. If it has effect, it ought to be regulated.”

Rep. Dawson said he was “disappointed” in demonstration, which he called “completely inconclusive in determining whether this is a valid process.” He reflected views of others when he said he knew no more about it than before demonstration but that “if it works it ought to be regulated.”

Rep. Frelinghuysen saw “obvious potentials for evil as well as good—if it works.” He agreed that use of system should be regulated, but expressed disappointment that viewers at demonstration were not “tested as to its effectiveness.” He saw in system a potentially painless way of eliminating visual commercials on TV.

Said Rep. Friedel: “It left me with nothing. I didn’t react to it. I didn’t dream about it. I just didn’t get it.”

FCC considers its informal investigation of subliminal TV closed for time being, has given system neither red nor green light. Feeling is that nobody has made case for outlawing it, and nobody’s using it on air anyway—so currently there’s no issue. But Chairman Doerfer told House Commerce Committee during this week’s toll-TV hearings that Commission intends to keep an eye on developments in this field.

“I’m not in a position to say if it is effective or if it has the power its promoters claim,” Doerfer said at hearing. We asked other commissioners for their comments. Comr. Ford said it was impossible to form opinion about technique on basis of demonstration, that far more testing is necessary. “It didn’t seem to me they know too much about its effects; at this point in its development, I don’t think it warrants a conclusion.”

Commented Comr. Bartley: “The whole thing reminds me of Coué and his ‘Every day in every way I’m getting better and better.’” Comr. Hyde said invisible popcorn pitch hadn’t altered his eating habits and he hasn’t “given much attention to it.”

Comr. Lee said he was “singularly unimpressed.”

Radio Station Sales Reported: WIRL, Peoria, Ill. by Illinois Valley Bestg. Co. for \$325,000 to Robert W. Frudeger, owner of KLIN, Lincoln, Neb. . . . WPON, Pontiac, Mich. by Gerity Bestg. Co. for \$275,000 to Chief Pontiac Bestg. Co., 35% owned by Edward E. Wilson, son of ex-Secy. of Defense Wilson . . . WOSA, Wausau and WLIN (FM), Merrill, both Wis., by Rep. O’Konski (R-Wis.) for \$225,000 to owners of WSAU-TV, Wausau (Ch. 7) . . . WABB, Mobile, Ala. by *Mobile Press Register* for \$150,000 to Cy Blumenthal (WARL, Arlington & WCMS, Norfolk, both Va. and KCKN, Kansas City) . . . WBOP, Pensacola, by WBOP Bestg. (Vern L. Bessler, partner-gen. mgr.) for \$65,000 to E. O. Roden, owner of Miss. & Tex. AMs (broker Paul H. Chapman Co.) . . . WGGG, Gainesville, Fla. by Thompson K. Cassel, with interest in off-air WTVE, Elmira, N. Y. for \$116,000 to Ed C. Wright and Harry R. Playford, who have interest in Suncoast Cities Bestg., Ch. 10 applicant for St. Petersburg (Paul H. Chapman) . . . WLOS, Asheville, N. C. by owners of WLOS-TV (Ch. 13)

for \$105,000 to C. W. Hogan, ex-mgr. & part owner of WLBG, Laurens, S. C. (Paul H. Chapman) . . . WFOR, Hattiesburg, Miss. by Forrest Bestg. Co. Inc. for \$72,800 to rancher R. W. Curry Jr. & wife . . . KWIQ, Moses Lake, Wash. by Robert S. McCaw and Warren J. Durham for \$14,726 to owners of KIMA-TV, Yakima (Ch. 29).

Radio Station Sales Approved by FCC: KXOA, Sacramento, by Lincoln Dellar for \$500,000 to Cal-Val Radio (Riley R. Gibson, pres.) . . . KOFE, Pullman, Wash. by J. Ronald Bayton & Maynard F. Hicks for \$60,000 to KOFE Inc. (Herbert E. Everitt, pres.) . . . KASI, Ames, Ia. by Wm. Rupe (publisher of *Ames Tribune*), Hollis Nordyke & Arthur Skinner for \$57,000 to Bill Evans, ex-WIND, Chicago, announcer . . . WRFW, Eau Claire, Wis. by Chippewa Valley Radio & TV Corp. for \$30,000 to owners of KDAL-TV & KDAL, Duluth, Minn.

Power boosts: KTWO-TV, Casper, Wyo. (Ch. 2) went to 28.5-kw Jan. 13; WSAU-TV, Wausau, Wis. (Ch. 7) plans start Feb. 15 with 316-kw at new site.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

Miami's TV wonderland: N. Y. Herald Tribune Syndicate travel columnist Horace S. Sutton is preoccupied in Jan. 12 column with these new uses of TV in Florida's newest fun-palaces: (1) New 301-room Beau Rivage Motel has 21-in. set in each room, with one channel connected to closed-circuit switchboard. When new guest checks in, he's requested to turn on his set to view "welcome" film, introducing dept. heads and providing stationary tour around motel. At other times, live camera roams motel's grounds and public rooms. Electronic baby-sitting is also provided; cameras are brought into rooms where baby-sitters are requested and single sitter in monitor room "sits" with as many as a dozen at once. (2) Carillon Hotel advertises that 91% of its 620 rooms have ocean view; "for the viewless 9% there will be televised views of the ocean." (3) DuPont Tarleton Hotel has TV set in each room tilted toward bed, with controls on night table; it will have 8x12-ft. projection TV screen in dining room and master TV antenna connections for yachtsmen tying up at its piers. And in Cuba, Sutton reports, new \$12,000,000 Havana Riviera is installing closed-circuit cameras in gaming room, so that guests will be able to bet from bed.

TV time & talent costs are climbing to point of diminishing audience returns to advertisers, according to TV-radio v.p. Philip L. McHugh of Campbell-Ewald Co. Joseph Kaselow, ad columnist for N. Y. Herald Tribune quotes McHugh: "Demands for increases, based on increased viewer audiences, soon may be answered, 'What increases?'" Executive of agency which spends more than \$20,000,000 in broadcast media for clients points out that TV already has reached 82% home saturation point. "The irony of the problem is that the annual increases in viewer audiences have lessened with each passing year." In rebuttal, TvB pres. Norman Cash promptly cited Dec. 1 Nielsen report to show TV audience increases for all top 10 TV shows vs. year earlier. "The growth in both TV homes and in time spent viewing per TV home combine to increase TV's total audience," Cash said.

Worldwide TV via tinfoil: Economical method of transmitting TV over oceans is expounded by Federal Telecommunication Labs pres. Henri Busignies in interview in Jan. 13 *Electronic News*. He's quoted as proposing shooting into space 1,000,000 or less thin strips of aluminum "chaff" to orbit about earth, forming continuous circle. This would provide metallic layer from which signals could be reflected, requiring far less power than present scatter communications systems now need. To put strips into orbit, he visualizes loading them into satellite, which, when orbiting around earth, would automatically eject them with proper spacing between strips. He estimates total weight of required strips would be less than a ton. "I feel certain the military is already considering this," he is quoted.

Drop in demand for engineers, notably in electronic and aircraft categories under \$15,000, accompanied gradual softening of economy during last 6 months of 1957, says *Executrend*, monthly barometer of executive job opportunities. However, demand for personnel, finance, marketing and general administrative executives (at \$25,000 and above) held up relatively well.

NBC-owned stations' *Know Your School* project won accolade of top govt. educational experts at Washington luncheon Jan. 16 staged by v.p. Tom McFadden and attended by about 150, including Secretary Marion B. Folsom, Dept. of Health, Education & Welfare. They were told that 200 hours of programming costing about \$1,000,000 have already been shown. FCC Chairman Doerfer urged expansion to include sub-professional schools, Chairman Barden (D-N. C.) of House Education & Labor Committee urged more attention to vocational schools. Special section of *Radio Daily* same day was devoted to series, which has public service angles well worth adapting at other stations.

Pilot TV station for N. Y. state educational system is again proposed by Gov. Harriman's administration, which has had little success in advocating earlier TV school projects (Vol. 13:3 et seq). Introduced in first week of 1958 session of Republican-controlled legislature in Albany, Democratic-sponsored bill asks \$500,000 for construction of educational station. Location would be determined by board of regents, which in another move has asked FCC to convert Newark's Ch. 13 to education in N. Y. metropolitan area instead of permitting sale of WATV to National Telefilm Associates (Vol. 13:49 et seq).

U of Texas board of regents this week voted to participate with San Antonio schools and other educational institutions in central Texas in application for educational outlet on San Antonio's Ch. 9, with studios in San Antonio & Austin. University will seek funds from private sources.

On-job TV training for educational station personnel will be provided by Educational TV & Radio Center, Ann Arbor, in 6-mo. program financed by Ford Foundation's Fund for Adult Education. Director of project is gen. mgr. Jack McBride of KUON-TV, Lincoln, Neb.

Dallas Area Educational TV Foundation reports it has raised about half of \$890,000 needed to establish station and operate for 2 years. Foundation says it hopes to apply to FCC for Ch. 13 this year.

Educational TV station directory for 1958 has been published by Joint Council on Educational TV, 1785 Massachusetts Ave. NW, Washington 6, D. C.

Two applications for new TV stations were filed with FCC this week, bringing total to 121 (31 uhf). Applications: For Eugene, Ore., Ch. 9, by KEED, Springfield, Ore., headed by Glen Stadler and including NBC news analyst Alex Dreier. For Walla Walla, Wash., Ch. 5, by group including Warren L. Gray & Wm. F. Barclay, engineers at KLAC and KNXT, Los Angeles, respectively. No translator applications were filed this week. [For details, see *TV Addenda 25-Y* herewith.]

Allocations changes requested in petitions to FCC: (1) By KJEO, Fresno (Ch. 47) to add Ch. 2, 5 & 7 (educational) to Fresno by removing Ch. 5 from Goldfield, Nev. (2) By WJMX, Florence, S. C., to add Ch. 13 to Florence by removing educational Ch. 13 from Charleston and replacing it with Ch. 7. (3) By Central Minn. TV Co., Alexandria, Minn. CP-holder & Bemidji applicant, to move Ch. 12 from Brainerd to Walker, Minn.

First station equipped for color tape recording and playback will be WGN-TV, Chicago, Ampex Corp. announced this week. Station has ordered prototype color conversion kit for black-&-white recorder; delivery will be made in June. Meanwhile, RCA this week demonstrated its color tape recorder to group of telecasters in Camden as kick-off in color recorder sales campaign.

TV INVENTORIES IN GOOD SHAPE AT YEAR END: Industry managed to trim TV set inventory down to 2,200,000 units by end of 1957, according to preliminary trade estimates. This compares with 2,476,000 at end of 1956.

TV retail sales in Dec. hit 970,000 vs. 978,000 in Dec. 1956, bringing year's total to 6,725,000 -- off about 4% from 6,979,000 (including exports) of year ago.

Radio set sales at retail zoomed to 2,000,000 home units in Dec., highest month since 1948. Big month brought total home radio set sales for 1957 to 8-year high of 9,990,000, up 16% from the 8,602,000 of 1956.

Production: TV set production totaled 114,392 week ended Jan. 10 -- first week of 1958 since 53-week 1957 production year ended Jan. 3. Total was 61,824 preceding week, 75,919 year ago. Radio production for week totaled 216,924 (86,570 auto) vs. 127,890 (36,789 auto) preceding week & 189,840 (102,516 auto) year ago.

DEALERS MANIFESTING A NEW MATURITY: Ranting against discount houses, back-door selling, builder sales practices -- these no longer were the hot podium topics at this week's Chicago convention of National Appliance-TV Dealers Assn. Nor was carnival promotion-for-promotion's-sake dominant as in past meetings.

Heart-of-matter business practices, instead, were themes. Speeches were peppered with terms like: professional management, cost-cutting, reduction of overhead, turnover, return on investment, dollars-not-percentages, undercapitalization, human relations, labor unionism, diversification. At this year's sessions, how-to-make-a-profit upstaged how-to-run-72-hour-marathons.

Top-management subject like "Inventory Control, Sales Budgeting and Expense Reduction" would have been entirely unlikely a few years ago. Yet, on opening day, 400 dealers took the hour-long treatise from NARDA economist Dick Snyder as Saturday night revelers take scorching Sunday sermons on sobriety. They were too self-conscious to be bored, too guilty to resent.

No longer just salesmen in business, today's average NARDA dealer has grown in stature as a businessman, aware of industry conditions which control him -- and encouraged by the wisdom and experience of dealers like their pres.-emeritus Harry Price Jr. of Norfolk, one of NARDA's more inspiring sages.

Maturity theme of 4-day meeting was underscored when Price told dealers that by concentrating on volume, expense & margins in 1958, they'd have more opportunity to control their own businesses than at any time since the war. He lashed out at manufacturer-inflicted conditions which have threatened that control.

Manufacturers have forced retailers into an "era of 'realistic' pricing," he said bitterly, by "over-producing, over-franchising, over-estimating markets... They've pegged our costs, removed our price umbrella, have told the customer not to believe the little independent... What have they done to earn our loyalty?... What have they done to stop our biggest competitor -- Sears?"

With proper control of variables in their own businesses, he continued, dealers could survive regardless of manufacturer-forced ills, recessions, tides of national economy. It is ultimately the public, he stressed, which actually determines how the individual business must be run:

"The public is demanding ever-increasing efficiencies in our distribution -- and we've got to face up to them..."

"This philosophy of low margin retailing is 'supposed' to obsolete all other methods -- but, don't you believe it. Give the lowest prices. But give them with

the services that the public will pay for. Functions cost money and they must be covered in the margins you get."

[For further digests of important NARDA speeches, see below.]

Note to manufacturers who missed this convention and/or NARDA's Institute of Management courses at American U in Washington: During his speech, Price observed that there were 36 GE sales trainers at the meeting -- "here to learn from us."

Education of the Dealer: If school-of-hard-knocks factory men have the idea that school-of-hard-knocks retailers always pooh-pooh "the academic stuff," their misconception was sharply exposed at this week's Chicago NARDA Convention. While past conventions consisted mainly of veteran promoters telling neophyte promoters their special secrets, at this meeting only one of 36 speakers talked on promotional techniques in detail.

Instead, both dealer and manufacturer speakers talked on a management level previously untouched in appliance retailing. Some of the merchandising principles discussed were on a stratospheric plane usually associated only with major dept. stores and chain stores. The dealer is getting educated. With help from the academic world, appliance retailing is being upgraded and seems to be heading for the day when dealers will be equipped to apply the highest principles of scientific retail merchandising.

In planning this convention, NARDA leaders relied heavily on subjects discussed at their 3 past Management Institutes held annually at American U in Washington. Two of the Institute's faculty addressed meeting: Dean Nathan Baily of American U's School of Business Administration discussed the functions of the professional manager; Prof. Wm. Davidson, Ohio State, discussed coming marketing concepts which will affect appliance distribution.

Others chose academic subjects, too. Dealer Dick Finch, of Medford, Ore.—who will soon address the American Bankers Assn. convention on appliance industry financing practices—discussed the appliance marketing revolution and its effect on the small town. He used extensive parallels from supermarket and chain merchandising. NARDA economist Dick Snyder repeated the chart & graph presentation on sales budgeting and forecasting he gave at the Institute last summer. Carl Bixby, marketing mgr. of Canadian GE's appliance-TV dept., talked on profit by innovation, warning dealers to watch not just sales but also turnover and profit on dollar invested. Dealer Hardy Rickbeil, Worthington, Minn., who feels appliance stores will be infiltrated by labor unions within 5 years, told how he handled union problem in his store.

Significant trend in all this high-dome activity is this: If such rich fare is what the dealer wants—or should have—in form of factory advice tomorrow, manufacturing and distribution dealer contact men will have to be armed with more than just another promotion to compete.

Significant, too, is fact that GE had 36 sales training directors in attendance at the convention—and has had as many as 6 trainers enrolled as fulltime Institute students.

In his convention speech, Willard Sahloff, GE v.p. & gen. mgr. of electric housewares & radio div., served notice that GE is already operating at fairly high merchandising levels. The Merchandising Management Accounting study he introduced to dealers makes selling as complicated as accounting. Though its principles probably went over the heads even of some of NARDA's most sophisticated dealers, the study is a key start in proving that dollars-not-per-

centage concept of moving goods in volume, regardless of margins, is the modern way of selling small appliances. And Sahloff pointed out that the principles work for majors, too.

Climate of appliance dealer level is probably ready for such high-dome factory advice. In his sometimes-scathing speech, NARDA's Harry Price, father of the Management Institute, reminded dealers that although factories were unapproachable last year ("They were fat and lazy"), conditions have changed and that in 1958 "you should use your factories—they can save you time and money."

Question is: Are factories ready to compete in this new retailing stratosphere or are they still geared to the old promotional days?

Note: Next Management Institute is set for American U in Washington July 13-19, tuition \$130, manufacturer & distributor personnel as well as dealers invited. Also, GE Merchandising Management Accounting study is available for the asking from electric housewares & radio div., 1285 Boston Ave., Bridgeport, Conn. And Dick Snyder's "Inventory Control, Sales Budgeting and Expense Reduction" presentation is available in booklet form for \$10 by writing him at 11 S. LaSalle St., Chicago 3.

NARDA elects as 1958 pres. Joseph Fleischaker, Will Sales Appliance Store, Louisville, replacing retiring Ken Stucky, Stucky Bros., Ft. Wayne. New v.p.'s: Steve Feinstein, Magee's Boston; Harold Witham, Witham's, Bakersfield, Cal.; George Johnston, Johnston's, Minneapolis. Remainder of slate: Mort Farr, Upper Darby, Pa., board chairman; Harry B. Price, Jr., Norfolk, exec. committee chairman; John K. Mooney, Broyles Electric, Marion, Ind., secy.; Victor Joerndt, Joerndt & Ventura, Kenosha, Wis., treas.; Al Bernsohn, exec.-secy.

New editor of IRE for 1958, succeeding Donald G. Fink, who becomes pres. (Vol. 13:47), is John D. Ryder, dean of engineering, Mich. State U. Newly appointed IRE directors are D. B. Sinclair, General Radio Corp., and Ernst Weber, pres. of Brooklyn Polytechnic Institute. Re-appointed directors were Dr. W. R. G. Baker, recently retired GE electronics v.p., now IRE treas. & Syracuse U research v.p.; Haraden Pratt, serving 16th term as IRE secy.; Alfred N. Goldsmith, consulting engineer & editor emeritus.

Creative Retail Salesman of Year prize of \$500 awarded Tom Sanders, Innes Co., Wichita, by *Ladies Home Journal*-NARDA annual contest committee; runner-up, TV-radio div. winner, was A. A. Bardin, Clark-Dunbar, Alexandria, La., who won \$125. Salesman of Year named by Flint, Mich. chapter, National Sales Executives Club, is Gene Thorpe, Greenley's.

Dwight R. Anneaux promoted to gen. mgr. of newly-formed Whirlpool utility div. Promoted to his staff were: Robert M. Marberry, gen. sales mgr. for gas utilities; C. R. Armstrong, gen. sales mgr., electric utilities; John W. Benson, adv. & promotion mgr.

Trade Personals: John W. Bjorkman named military marketing mgr., DuMont Labs . . . Col. Frank J. Shannon (USAF ret.) appointed Packard-Bell technical field service mgr. . . . Michael J. Ranalli resigns as field sales mgr. of Westinghouse TV-radio div.; no successor to be named . . . Dan R. McKennon, ex-Emerson, appointed Olympic Radio regional sales mgr. for north central states, replacing Jerry Allen, resigned . . . Sam Jenkins & Harold Ashbach named Wilcox-Gay v.p.'s, former adding duties of gen. sales mgr., Majestic International sales, and continuing as sales coordinator, latter continuing as west coast rep for both . . . Robert J. Criddle promoted to gen. sales mgr., contract & builder sales div., RCA Whirlpool; Wayne Wolford succeeds him as sales mgr., contract sales . . . Col. Webster F. Soules, mgr. of radio mfg. div., Electro-Voice Inc., cited as "operator of the month" by 5th Army for contributions of his A8HCW to military affiliate radio system (MARS) . . . Merrill F. Chapin, onetime part owner of WSAU, Wausau & WMAM, Marinette, Wis., named mgr. of 8-state GE regional sales office at St. Louis for 2-way radio equipment . . . George M. Arisman Jr. named pres. & gen. mgr. of Mallory Battery Co., div. of P. R. Mallory & Co. . . . Roger G. Hall named national sales mgr. of Angel Records, now merged with Capitol (Vol. 13:49) . . . Charles Harper, ex-Kierulff, Los Angeles (Webcor), named national sales mgr. of Bel-Canto Magnetic Recording Tape Co. . . . John Woodford, ex-Angel Records, named to new post of classical albums product mgr., Columbia Records . . . Herbert J. Oslow appointed adv. mgr. of *HiFi & Music Review*, new Ziff-Davis magazine.

DISTRIBUTOR NOTES: Peirce-Phelps, Philadelphia (Zenith) names Frank Louchheim, ex-v.p. of now defunct Stuart F. Louchheim, to Zenith div. under mgr. Richard Waltemate . . . Victor H. Meyer Distributing Corp., N. Y. (Sylvania), promotes Victor J. Meyer to v.p.-gen. mgr.; Michael Lombardo to controller . . . GE names W. R. Jones sales planning mgr. of new expanded Memphis district of appliance-TV div.; C. H. Middleton named TV sales mgr. . . . Handweg Distributing Co., Tampa (Motorola), promotes John Bumpus to gen. sales mgr. . . . Emerson names Edward Adis v.p., Lawrence H. Carr v.p.-treas. of new factory branch in Philadelphia; they were respectively sales mgr. & controller of Emerson of Pa., independent distributorship recently converted to branch on resignation of founder Irving Witz (Vol. 14:2). Branch retains firm name . . . Samuel Jacobs Distributors Inc., Philadelphia (Steelman, Bell & Howell, Blaupunkt, Ampro), names Ben Freedman service & parts mgr.; moves to larger quarters at 2208 Market St. . . . IT&T components div. appoints Jack Goss Co., 99 Highland Ave., Somerville, Mass. New England sales rep for Federal selenium rectifiers . . . Sylvania appoints The Shield Co. Inc. (Mrs. W. W. Slaughter, pres.), 1010 Macon St., Ft. Worth, for TV-radio-hi-fi in Ft. Worth-Dallas area . . . Decca Distributing Corp., San Francisco, promotes Irving Stimler to branch mgr. succeeding Wm. Bisbam, resigned . . . Alliance Mfg. Co. names Collins Havercamp, Kansas City, rep for Tenna-Rotor in Ia., Neb., Kan., Mo.

Motorola and its N. Y. distributor Warren-Connolly Co. "have decided to sever relations," says Edward R. Taylor, Motorola exec. v.p.-consumer products. Group of Motorola executives will take over temporarily at Warren-Connolly location.

TV should more than double in dollar volume between now and 1965 and should be a highly profitable business—spurred by color. So said RCA executive committee chairman Frank M. Folsom in Dec. 16 talk before San Francisco Society of Security Analysts. About color, he said: "This past year we feel we found the key to the successful mass promotion of color. We went into 26 major cities and 27 secondary markets with an intensive promotional campaign keyed to one purpose—exposure of the public to color. In most cases the results were good, in some they were excellent, and in some they were spectacular." [For Folsom's comment on other aspects of electronics and related defense and consumer industries, see p. 15.]

Venezuela imported 35,000 TV sets in 1956, about 12% from Netherlands and most of remainder from U. S., according to new govt. statistics. In 1955, approximately 19,000 units were imported. Venezuela now has 120-125,000 TV sets in use and 10 TV stations, including satellites. In 1956, Germany became biggest supplier of radios to Venezuela, with U. S. participation declining from 40% in 1955 to 28% in 1956, while Germany rose from 27% to 32%, Netherlands from 18% to 25%. Radio imports totaled about 100,000 in each of the 2 years.

Australian Broadcasting Commission, seeking bids for equipment for new govt.-owned TV stations in Brisbane, Adelaide, Perth & Hobart (Vol. 13:40), placed 2-in. ad in Jan. 12 *N. Y. Times* announcing March 20 deadline for bids and availability of forms and specifications from Commission office at 630 Fifth Ave., N. Y. Govt. stations in those cities are due to be in operation in 1959; permits for competitive privately-owned outlets in same city have been promised by March.

Pye Ltd., big British TV-radio-electronics manufacturer, is exporting enough radios, hi-fis, recorders and other equipment to U. S. to justify appointing Van Brunt & Co., new ad agency at 230 Park Ave., which starts national campaign in March. Pye distributor is Ram Electronic Sales Co.

DuMont diversification into auto tune-up and test equipment field is detailed in Jan. 13 *Electronic Week*, which reports firm claims 98% of \$10-20,000,000 yearly auto tune-up oscilloscope market. Aimed at smaller service stations and garages is "low-priced" \$495 IgnitionScope.

First FM auto radio to be distributed by American auto manufacturer is new Bendix-made tuner being offered as optional equipment on 1958 Lincoln. As yet unpromoted, tuner carries suggested list price of \$120 added to \$163 price of AM radio.

Retail household appliance-radio store sales totaled \$3.536 billion in first 11 months of 1957 vs. \$3.617 in 1956 period, reports Census Bureau. Nov. sales were \$348,000,000, down \$21,000,000 from Nov. 1956.

Pre-registrations are being urged by gen. mgr. Kenneth C. Prince for 1958 Electronics Parts Distributors Show at Chicago's Conrad Hilton Hotel, May 19-21.

Corning Glass has laid off about 150 in pressware plant because of adequate inventories of color TV bulbs; black-&-white continues on normal schedule.

The 1958 edition of *RCA Reference Book*—updating information on tubes, test equipment, batteries, transistors, semiconductor diodes—is now available from distributors.

Enthusiastic report on color—ease of installation, tuning, improved programming—is contained in Dec. *Cosmopolitan* article by contributing editor Jon Whitcomb.

Electronics Reports: Even as trade and financial circles buzzed with unverifiable rumors that RCA has won one of biggest Air Force contracts yet, the chairman of RCA's executive committee, ex-pres. Frank M. Folsom, was telling San Francisco Society of Security Analysts that the American electronics industry would jump from present \$12 billion volume to \$22.5 billion by 1965.

Growth, said he, would center on national defense, which would attain \$6.5 billion by 1965, and on such areas as color TV (see p. 14) and industrial electronics such as microwave and other radio communication, closed circuit TV, broadcasting equipment, data processing systems. TV as whole should more than double its volume, he said, along with huge surges in components such as tubes, transistors, parts and in installation & servicing.

RCA would not comment on any new defense contracts, even to correct rumors that they may aggregate as much as \$500,000,000. Air Force information spokesman would only say he found "no such contract has been awarded."

* * * *

In widely publicized testimony before Senate Preparedness Subcommittee Jan. 13, RCA chairman David Sarnoff supported Rockefeller Report (Vol. 14:1); urged greater emphasis on basic research and speedup in development of anti-missile missiles; said survival must be "overwhelming factor" in considering cost; again advanced his proposal of 2 years ago to establish a "national educational reserve" with private industry providing paid science teachers for nearby high schools. Note: Gen. Sarnoff this week was elected chairman of board of trustees of American Heritage Foundation, currently co-sponsoring movement with Advertising Council to step up citizen participation in Congressional and gubernatorial elections.

Tax concessions to spur privately-financed research were urged in testimony before House Ways & Means Committee Jan. 14 by Whirlpool Corp. pres. Elisha Gray II and Westinghouse general tax counsel Leonard A. Kust. Gray proposed taxpayers be given income tax credit of 90¢ for each dollar they contribute to universities and colleges for basic scientific research. Kust urged private firms be granted tax concessions for enlarging private research.

Radio Moscow reports Lenin Electro-Technical Institute working on color system using "scanning light beam principle" and simple camera.

Electronic Highways: Completely electronic highway system which could practically eliminate accidents was pictured to some 1000 highway engineers and administrators at annual meeting of Highway Research Board in Washington last week—as engineers discussed possibility of incorporating system in 4100-mi. 15-year Federal highway program. RCA honorary v.p. Dr. V. K. Zworykin explained his electronic highway control system, which was demonstrated last Oct. on 320-ft. stretch of highway in Neb. (Vol. 13:42), and urged cooperation among highway engineers, auto manufacturers and electronics industry in completing development. He pleaded for construction of enlarged test facility at least 2 miles long to permit testing at full scale and at normal speeds. RCA system consists basically of series of electronic detector units buried in and along highway, and guidance cable buried in center of traffic lane along length of road. Using system, cars eventually can be steered, stopped and their speed governed automatically so as to make accidents nearly impossible.

Electronics Personals: Edwin A. Speakman, ex-pres. gen. mgr. of Fairchild guided missile div., onetime vice chairman of Defense Dept. Research & Development Board, named to new post of mgr. of planning, RCA defense electronic products . . . Herbert H. Schenck, ex-v.p. & director of Standard Electric S.A. and recently managing director of Companhia Radio Internacional do Brazil, both IT&T subsidiaries in Rio de Janeiro, March 1 becomes director of engineering of Page Communications Engineers Inc., major world-wide telecommunications system contractor headed by veteran Easterly C. Page; Ross Bateman resumes fulltime duties as director of research & development . . . Harvey W. Fletcher, ex-Bell Labs, now heads acoustics courses in dept. of speech at Brigham Young U, Provo, Utah, whose present president is Ernest Wilkinson, ex-Washington attorney . . . Richard G. Jones named Motorola western district mgr. for microwave and industrial control products . . . Bernard Cohen promoted to v.p. & director, General Transistor engineering dept. . . . Terry A. Halpern promoted to sales mgr. of International Resistance Co. Asheville, N. C. plant . . . Henry A. Correa, ex-Bendix Aviation, elected v.p. for foreign operations, ACF Industries . . . James A. Nottingham, ex-Sperry, named v.p.-manufacturing, Reeves Instrument Corp., succeeded as Sperry gen. mfg. mgr. by Ed Wall . . . Jack Pyle promoted to sales engineer for Sylvania semiconductor div.; Al White continues as tube sales engineer . . . S. A. Standing appointed asst. to N. B. Krim, Raytheon v.p. & gen. mgr. of receiving tube and semiconductor operation . . . Curtis Kelly, ex-Raytheon, named National Co. sales mgr. for consumer products . . . Douglas Thatcher named sales mgr. of Centralab international div. . . . James F. Conolly Jr., ex-Consolidated Electrodynamics, named adv. administrator, electronics div., Stromberg-Carlson . . . Richard P. Gifford promoted to engineering mgr. of GE communication products dept., succeeding C. M. Heiden who joins GE research lab . . . Murray Kanen promoted to engineering director, Friez Instrument div., Bendix Aviation . . . Theodore F. Talmage elected v.p.-administration of Perkin-Elmer Corp., Norwalk, Conn.

Rear Adm. Henry C. Bruton, currently director of Naval Communications, is being assigned June 23 as Director, Communications-Electronics, Joint Staff, Commander-in-Chief, European Command. He will be succeeded by Rear Adm. Frank Virden, now on U. S. European Command Joint Staff.

George C. Neuschaefer of U. S. Naval Material Labs, Brooklyn, N. Y. is winner of first annual National Reliability Award for paper on "Standard Parts—They Can Be Versatile" presented Jan. 7 at Symposium on Reliability and Quality Control in Electronics in Washington.

Veteran Wireless Operators Assn. reelects all officers, including Wm. J. McGonigle, N. Y. Telephone Co., pres.; Arthur J. Costigan, RCA Communications, 1st v.p.; E. C. Cochran, retired FCC marine inspector, 2nd v.p.; Raymond Guy, NBC, named a director.

Gustaf A. Wallenstrom named by GE technical products dept. to newly-established post of consulting engineer on antenna system structures, reporting to Lloyd Krause, mgr. of antenna and TV relay engineering.

Obituary

Wm. Hosford, 75, retired Western Electric director & operations v.p., died Jan. 15 in Chilton Memorial Hospital, Pompton Plains, N. J.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 17, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by
RUDD, BROD & CO.

Member New York Stock Exchange
734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Change	High	Low	Stock and Div.	Close	Wk. Change
14 7/8	6 1/2	Admiral.....	7 3/4	+1/8	37 3/4	25 3/4	IT&T 1.80....	30 3/4	+1/4
27	16 1/2	AmBoschl.05g.	21 1/4	+1/8	50 3/4	33	I-T-E CirB1 3/4 d.	40 1/4	-1/8
24 1/4	11 5/8	Am Bcstg-Para 1	14 3/4	+1/4	10 3/4	7 1/4	List Indust 1/4 e.	7 1/2	-1/4
43 3/4	29 1/4	AmMach&F 1.60	33 3/4	+1/8	56 3/4	29 1/2	Litton Ind.....	43	+1/4
179 1/2	160	AT&T 9.....	170 3/4	+1 1/4	22	11 1/4	Loew's.....	13 3/4	...
36 3/4	19 1/2	Amphenol 1.20.	24 1/4	+1/4	44	28 1/4	Magnavox 1 1/2 b.	32 1/2	+1 1/2
33 1/2	28	Arvin 2.....	29 1/2	+1/4	50 1/4	23 3/4	Mallory 1.40b.	26 3/4	+1/8
7 3/4	4 7/8	Avco 10g.....	6 3/4	+1/8	131	73 1/2	Mpls. H'll 1.60a	77	-1 1/4
47 3/4	21	Beckm Inst 1 1/2 f	24 3/4	...	51 3/4	35 3/4	Motorola 1 1/2 c.	40	+1/4
66 3/4	42	Bendix Av 2.40.	50 3/4	+1/4	9 1/2	7	Nat'l Thea 1/2 c.	8 1/4	+1/4
52 3/4	27 1/2	Burroughs 1.....	30 3/4	+1/4	36 3/4	28	Paramont 2....	34	+1 1/4
25 1/2	15 1/2	Clevite 1.15g....	18	+1 1/2	18 1/2	11	Philco 3/4 f.....	13 3/4	+1/8
36 1/2	23 1/2	CBS "A" 1b.....	27 1/4	+1/4	40	27	RCA 1b.....	34	+1/4
35 3/4	22 3/4	CBS "B" 1b.....	26 1/2	+1/2	23 3/4	16 3/4	Raytheon.....	22 1/2	...
54 3/4	25 1/2	Cons Elec. 40a..	31 3/4	+1/4	50 3/4	30 1/2	Rel Elec 1.80...	33	+1
35 1/2	18	Cons Electron...	21 1/4	+1 1/4	8 1/4	4 3/4	Republic Pic...	6	-1/4
27 1/2	12 1/2	Cor-Dub 1.20...	15 3/4	+1/8	39 3/4	29 1/4	Sang Elec 1.80.	34	...
106 3/4	57 1/4	Corning Glass 1a	75 1/2	-2 1/2	18	12 3/4	Siegler .80.....	15 1/4	+1 1/4
6 3/4	3 1/4	Davegem.....	4 1/4	...	6 1/4	2 3/4	Spartan.....	3	+1/4
47	27 1/2	Daystrom 1.20..	32 3/4	+1/4	26 1/4	17 1/2	Sperry Rand .80	19	+1/2
19 1/2	13 1/2	Deca 1.....	14 1/4	+1/8	9 3/4	5 3/4	Standard Coil..	7 1/2	+1/2
15 1/2	13	Disney .40b....	15 1/2	+1/2	18 1/2	13 3/4	Stanley-War 1..	15 1/4	+1/2
115	81 3/4	East Kod .90e..	99	+1 1/4	41 1/2	27 1/4	Stew Warner 2b	29 1/2	-2 1/4
4 3/4	3 1/4	El & Music .13c	3 1/4	+1/4	29 1/4	18 3/4	StorerBcstg1.80	24 1/4	+1 1/4
34	22 1/2	Emer Elec 1.60.	31 1/4	+2 1/4	46 1/4	29 1/4	Sylvania 2.....	34 3/4	+1 1/4
6 3/4	3 3/4	Emerson Radio..	4 1/4	+1/4	31 1/2	15 1/2	Texas Instru...	27 1/2	+1/2
10 3/4	6 1/4	Gabriel 60.....	7 3/4	+1/4	89 1/4	46	ThompProd 1.40	49	-4
68 3/4	46 3/4	Gen Dynamics 2	63 3/4	...	37 1/2	21 3/4	Tung-Sol 1.40b.	23 3/4	-1/4
72 3/4	52 3/4	Gen Electr. 2....	62 3/4	+1/4	30 3/4	19 1/2	20thC-Fox 1.60.	24	+1/4
8 3/4	4	Gen Inst. .15g..	5 1/2	+1/4	25 1/4	15	United Art 1.40.	16 1/4	+1/4
47 3/4	30 1/4	GenPrEquip2.40	40	+3 3/4	30 1/2	18 1/4	Univ. Pict 1a..	20 1/2	-1/2
30 3/4	22 1/2	General Tire .70	28 3/4	+1/4	28 1/2	16 1/2	Warn Bros 1.20.	17 1/4	+1/4
25 1/2	17 1/4	Hoffman Elec 1.	23 3/4	+1 1/2	68 3/4	52 3/4	Westingh El 2..	63 1/2	+1 1/4
37 1/2	27 1/2	IBM 2.40b.....	30 1/4	-1/2	140	91 1/4	Zenith 3a.....	121 3/4	-1 1/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 3/8	...	44 1/2	29 3/4	Hazelline 1.40b.	35	+1 1/4
52 1/2	19 3/4	Allied Con 1a..	43	+1 1/4	3 1/2	2 1/2	Her Radio .15g.	2 1/2	-1/4
21 1/2	11	Amer Electro 1/2	14 3/8	-1/8	6 1/4	3 1/4	Int Resist .20...	4 1/2	+1/2
12 3/4	4 1/4	Audio Dev .05d.	9	+1/8	8 3/4	4	Lear.....	5 1/2	-1/4
13 3/4	6 1/4	Belock Inst 1/4 t.	8 1/4	...	1 1/2	1/2	Muntz TV.....	3 1/2	+1/8
1 1/4	3/4	C & C TV.....	3 1/2	+1/4	3 1/2	2 1/2	Muter Co. 1/4 t.	3	+1/8
5	2 1/2	Clarostat .15g.	3 1/4	+1/8	9 3/4	5 1/2	Nat'l Telefilm..	6 1/4	...
6 3/4	3	DuMont Lab... 4	4	+1/8	2 1/2	1	Nat Union El... 1 1/4	+1/4	
7 1/4	2 1/2	Dynam Am.....	4 1/4	+1/8	11 1/4	5 1/4	Norden-Ketay..	5 1/2	-3/4
12 3/4	8	Electronic Com.	12	+1/8	5	3	Oxford El .10d.	3 3/4	...
12 1/2	5 1/2	Electronics Cp..	7 1/4	+1/8	20 1/2	10 1/4	Philips El.....	11 1/4	-1/4
27 3/4	16	Fairch Cam 1/2 g.	24 1/4	+1 1/2	12 1/2	6 1/4	Servomech. 40.	8 1/2	+1/8
30	8 3/4	General Trans..	20 1/4	+1 1/4	9	3 1/4	Skiatron.....	5 1/2	-1/4
28 1/2	17	Globe Un 1.20b.	17 1/4	+1/8	8 1/2	2 1/2	Technicolor...	3 3/4	+1/4
4 1/4	2 1/2	Guild Films....	2 1/2	...	5 1/4	3 1/2	Trans-Lux .20g.	3 3/4	...

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	1 1/2	2 1/4	Magna Theatre..	2 1/4	2 3/4
Aerovox.....	3 1/4	3 3/4	Maxxon (W. L.) .05	5 1/2	5 3/4
Airborne Inst..	36	39	Meredith Pub 1.80a.	20 1/2	21
Altec Co .80...	7 1/4	8 1/4	National Co (4% stk.)	10 1/4	12
AMP Inc .50...	18 1/2	20	Oak Mfg. 1.40...	14	16
Ampex.....	50 1/2	53	Official Films .10	1 1/4	1 3/4
Baird Atomic..	10 1/2	12 1/2	ORRadio.....	17	19
Cinerama Inc..	1 1/2	1 3/4	Pacific Mercury TV	5 1/2	5 3/4
Cinerama Prod.	2 1/2	2 3/4	Packard-Bell .50	11 1/2	12
Cohu Electronics	7 1/2	8	Panellit.....	5 1/4	6
Collins "A" .35	14	15	Perkin-Elmer...	22	23
Collins "B" .35	13 1/2	14 1/2	Philips Lamp (14% of par)	30 1/2	32 1/2
Cook Elec. 40d	21	23	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems.	4 1/4	5	Sprague Electric 1.20.	26 1/4	27 1/2
DuMont Bcstg.	7 1/4	8 1/4	Taylor Instrument 1.20.	29 1/2	31
Eitel-McCullough (5% stk.)	25 1/2	27	Tele-Broadcasters	2 1/4	3 1/2
Elec Assoc (stk)	39	42	Telechrome .30	5 1/4	6 1/2
Erie Resistor .40b.	7 1/4	7 3/4	Telecomputing..	4 1/4	4 3/4
Friden Ind. 1.00	41	45	Teleprompter (stock)	5 1/4	6 1/2
Giannini, G. M.	14 1/4	15 1/4	Time Inc. 3.75...	5 1/2	6 1/2
Gross Telecasting 1.60	15 1/2	16 1/2	Topp Industries (stock)	10 1/2	10 3/4
Hewlett-Packard	19	20	Tracerlab.....	5 1/4	5 3/4
High Voltage 10g	24 1/2	26	Trav-Ler.....	1	1 1/2
Hycan.....	2	2 1/2	United Artists..	4	4 1/2
Indiana Steel Products 1.20a.	18 1/4	18 3/4	Varian Associates	16 1/2	17 1/2
Jerrold.....	1 1/2	2 1/4	Victoreen Inst..	4 1/4	4 3/4
Ling Indus.....	6	6 1/2	Webcor .25g....	12 1/4	12 1/2
Leeds & Northrup .60b.	20	22	Wells-Gardner..	6	6 1/2
Machlett Labs .25g.	11	12 1/2	WJR .50d.....	12	12 1/2

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Sylvania TV Awards: For "outstanding" 1957 network programs: dramatic series, *Hallmark Hall of Fame* (CBS); new series, *20th Century* (CBS); documentary series, *See It Now* (CBS); news, NBC News; public service series, *UN in Action* (CBS); variety series, *Steve Allen Show* (NBC); comedy series, *Tonight* (NBC); daytime series, *Matinee Theatre* (NBC); light musical series, *Chevy Show* (NBC); light musical program, "Annie Get Your Gun" (NBC); children's series, *Let's Take a Trip* (CBS); religious series, *Look Up & Live* (CBS); educational series, *Omnibus* (NBC). Individual "outstanding" awards: original teleplay, Wm. Gibson, "The Miracle Worker," *Playhouse 90* (CBS); adaptation, James Lee, "The Life of Samuel Johnson, *Omnibus* (NBC); actor, Lee J. Cobb, "No Deadly Medicine," *Studio One* (CBS); actress, Kim Stanley, "Traveling Lady," *Studio One* (CBS); supporting actor, Torin Thatcher, "Beyond This Place," *DuPont Show of the Month* (CBS); supporting actress, Patty McCormack, "The Miracle Worker," *Playhouse 90* (CBS). Special awards: Marian Anderson, "The Lady from Philadelphia," *See It Now* (CBS); Nikita Khrushchev interview, *Face the Nation* (CBS); NBC Opera; *Wide, Wide World* (NBC); NBC educational series; Educational TV & Radio Center, Ann Arbor. "Outstanding" local awards: public service series, *The One Inside*, WSPD-TV, Toledo; news & special events, "Disaster, Dallas," WFAA-TV, Dallas; children's educational series, *Discovery*, WGBH-TV, Boston. "Exceptional merit" citation: Coverage of Senate labor-management rackets probe, DuMont's WTTG, Washington & WABD, N. Y.

Budgets Held Down: Govt.'s broadcasting-connected activities got once-over-lightly treatment in \$73.9 billion 1959 fiscal budget proposed by President Eisenhower to Congress this week. For FCC, he asked \$8,950,000 for year starting July 1, 1958 vs. \$8,300,000 appropriated for fiscal 1958, requested increase of \$650,000 distributed to broadcast activities, salaries, etc., with no big step-ups. FCC averaged 1084 employes in fiscal 1957, estimated 1106 for 1958, 1156 for 1959. To run FTC, he requested \$6,025,000 vs. \$5,950,000 appropriated for fiscal 1958, leaving funds for deceptive advertising investigation & litigation (including TV-radio monitoring) virtually unchanged at \$1,277,000. For USIA, request was \$105,000,000 vs. \$95,100,000, with \$19,924,300 earmarked for broadcast service vs. \$20,280,883 spent in fiscal 1957, estimated \$17,429,021 for 1958. USIA plans boost in TV-radio activities in 1958.

Proposed 350,000-share offering of Hal Roach Productions Inc. at \$3 (Vol. 13:51) has been dropped because of market conditions. Yet Roach states "1958-59 TV season looms as the most successful in [our] operation" and points "ambitious motion picture production schedule."

1958 AM-FM Stations Directory

ALL SUBSCRIBERS to the full TV-AM-FM services of *Television Digest*, will, toward the end of Jan., receive copies of our *1958 Radio Station Directory*, revised to Jan. 1. The new directory lists not only all North American AM-FM stations by states & cities (with company names, addresses, frequencies, powers, FM antenna heights, network affiliations), but also includes lists of AM & FM stations by frequencies, AM & FM applications by states & frequencies, AM & FM stations alphabetically by call letters, list of FCC-approved transmitters. Extra copies are available at \$7.50 each; 5 or more, \$5 each.

Industry Crises—1958 Vintage

TV Today: The Dangers of Opportunity Denied

Emergencies Facing Nation and Its Handmaiden TV Networks and Stations

By **FRANK STANTON**

President, Columbia Broadcasting System Inc.

and

A Report on the FCC Network Study Staff Report

Stanton's Top Aide Explains Potential Impact of Barrow Report Proposals Regarding Option Time, Multiple Ownership, Direct Regulation of Programs, Advertising, Rates, Etc.

By **RICHARD S. SALANT**

Vice President, Columbia Broadcasting System Inc.

Texts of Addresses Before 4th General Conference of CBS-TV Affiliates, Washington, D. C., Dec. 13, 1958

Television Today: The Dangers of Opportunity Denied

By **FRANK STANTON**

THE NEEDS AND DEMANDS of our free society imperatively place more and deeper responsibilities on us in television broadcasting than ever before. Paradoxically, TV's ability to meet those responsibilities is more seriously threatened than ever before. The immediate period ahead is a period of crisis for all of us equally as part of the free world. We can pass successfully through that crisis—indeed we can survive as the free world—only through bold and active leadership responding to, and responded to by, an informed nation of citizens.

To provide this link of communication and information, TV can, and must, play a crucial role; it can serve as an instrument of strength, perhaps even of survival. Not only our own economic stakes as broadcasters, then, compel us to resist the sapping away of our ability to meet the new demands thrust upon us. So also, and more importantly, do our obligations as citizens of the free world, as part of its economic force and as part of its free press.

I am sure that it was in recognition of these transcendent facts that, at the Colorado Springs meeting of your Affiliates Advisory Board last summer, Clyde Rembert [KRLD-TV, Dallas] proposed, and the board unanimously agreed, to depart from past custom by accelerating the date of this 4th General CBS Television Network Affiliates Conference, and for the first time, choosing Washington, D. C. as its meeting place. It is fitting that you have chosen this time and place. For the free world's focal point today is this city of Washington, just as it is our focal point today as broadcasters. Our future lies right here in this city.

"Our National Survival Is Involved"

Let me get directly at the situation that confronts us as we meet here today. This industry faces an immediate and pressing opportunity for service that it cannot fumble. Not only our national welfare but our national survival is involved. Either we are going to be equal to the job or there is going to be no second chance. Paradoxically, that opportunity and obligation come to us when we face the most serious and most direct threats to our strength as an industry.

I want to discuss both these matters. I am going to talk candidly and explicitly.

There can be no doubt that the nature of our existence as an industry and our larger existence as a nation has changed drastically since our last meeting. In the wake of the unarguable facts of Russian technological advances, awesomely dramatized by the space satellites, this nation has made the sobering discoveries that it cannot take its own strength for granted and that time is not always on its side.

We have made the painful discoveries. We have yet to cope with them. We *cannot* cope with them unless they become the first business for all of us in the nation.

Democracy's Need for Speed and Immediacy

Here we in the TV industry have a primary responsibility. It is nothing short of providential that TV has had a decade of constant growth to bring us to a position where we have a real chance of meeting that responsibility. It will be nothing short of tragic if, through our own fault we muff it, or through the faults of others, we are kept from meeting it. In the simplest way that I can put it to you, that responsibility is to use TV as fully and as effectively as we know how to help take up the slack that is characteristic of democracies between the time of a need for action and the time of action itself. In the age of the ICBM, only by taking up that slack can a democracy match a dictatorship without imitating it.

For a basic difference between the processes of a dictatorship and those of a democracy is that the dictatorship can move fast, without either the approval of the people or even an explanation to them. In a dictatorship, the role of the people is simply to follow orders. In a democracy, on the other hand, the people are directly involved in, and must frequently spark, the decision-making procedure. Without a continuous two-way flow of information, ideas and convictions from the people to its leaders and from the leaders to the people, these democratic processes are frustrated.

Yet information and the exchange of ideas take time. In the past we have always had the time, in the face of emergencies, to mobilize in a way that ultimately assured victory. In the age of missiles—when time is reckoned not in months or weeks or even days but in minutes—we do not have the luxury of time. Today there is a new urgency.

Our first and vital job is to speed up and improve the dissemination of the information that is the primary step in the decision-making process; for if there is a failure at that step, the whole democratic scheme will have failed. And these new demands for speed, for reaching all the people simultaneously, for immediacy, are put squarely up to us in TV.

In the past year we have made important beginnings in gearing ourselves up to meet these demands. Today, CBS News, upon which devolves the primary responsibilities in these areas, has more than 600 correspondents located in 263 cities around the world. It has fully staffed bureaus in 5 cities in Europe, one in the Far East and 4 in the United States. The Washington bureau alone has a staff of 63, including editors, correspondents, public affairs specialists and camera crews.

CBS-TV News Cost \$11,000,000 in 1957

Today, each of the CBS-TV Network's regularly scheduled programs of hard news can involve the services of over 800 people: The word and picture reports and the live pick-ups of 615 correspondents and cameramen; 147 film crew members; 37 administrative staff members; and 16 studio staff members. The net TV costs, after deducting all revenues, of this CBS News organization and its operations exceeded \$11,000,000 in 1957.

In recent months we have quickened our pace in these areas in direct response to the new demands of this world in crisis. We have tried to bring the American people a deeper understanding of the world and its issues both through hard news programs and through special reports, so that the people can see and make up their own minds about the problems of the world.

We have brought programs on the Hungarian and Suez crises; on the West Germany economic recovery; on *Algeria Aflame*; on the rebels of Sierra Maestre; on SAC, on civil defense. Through *Twentieth Century*, we have tried to create wider understanding of entire areas of our national life and world activity; through *Conquest*, and the special *See It Now* programs, we have tried to emphasize the new importance of science. We have brought to the American people the faces and words of world leaders—Nasser, Adenauer, Tito, Nehru, Krushchev. We have brought them reports and discussions from their own officials, including the President and the members of his Cabinet, Senators and Congressmen, military leaders and administrators.

In explicit response to these new demands of this urgent ICBM Age, we presented, just eight days ago, *Where We Stand*, the most comprehensive special program in the news field ever undertaken by broadcasting.

I am convinced that we have the ability and capacity to move ahead with even more effectiveness. At the same time, our increased responsibilities require harder concentration and greater emphasis.

Network and Local Responsibilities

The task of meeting these responsibilities must fall primarily on the network end of the business. It is only a network which can provide the essentials of immediacy and simultaneity. It is only a network which can reach the people on a national scale and gather the news on an international scale.

While the responsibilities fall, as I say, primarily on us at the network level, you at the station level have vital coordinate responsibilities. Each of you as stations do, and

must continue to do, an important job on your local level. Most certainly I am aware of the creative ingenuity and enterprise of the newsmen in your stations throughout the country.

We need not stop now to parcel out the responsibility of each of us. The overriding need is for all of us to do more. We must inform more people, faster, more effectively, more fully—day in and day out. This is your job, it is our job, it is the job of everyone in the industry. If we fail in this responsibility, the decision-making start that dictatorships have over democracies may be an advantage which is decisive—and fatal.

Up to now, I have been speaking of direct and to some extent special responsibilities of our industry. I want to move on to a more general and continuing responsibility that we both share with all industries in a free economy and at the same time owe to all other industries. That is to contribute more and more energetically to the economic welfare of the entire nation.

No amount of dedication is going to make this country strong before the world if at home we are under the mental and material stress of an ailing economy. The economic health of the nation can very well be a determining factor in seeing us through this critical phase of world history.

No one could be in this industry without knowing very well that the prosperity of this nation rests upon the increasingly effective distribution of goods and services to more and more people. As our economic frontier one and two generations ago was the mass production of goods, our economic frontier of today and tomorrow—unless circumstances should force us temporarily into a controlled economy—is the mass distribution of goods.

TV's Role in the Expanding Economy

Television has come to maturity at a time when the dynamics of our total social scene point with increasing sharpness at what Marion Harper, Jr. calls "The Coming Crisis in Distribution." Mr. Harper reminds us that, while we can expect new population increases and proportionate expansions in goods and services, the labor forces to supply manpower for distribution will not increase commensurately.

It is my view that television, and particularly network television, can, and must, play a major part in the resolution of this distribution crisis. For historically, TV has proven its value as an instrument of marketing, and hence of distribution.

Let us just take a quick backward glance to the period—only a little more than a decade ago—immediately following World War II. We as a nation were concerned then with the "inflationary gap"—the gap between the large supply of dollars and the short supply of goods.

One of the great modern economic miracles occurred at this point. Comparatively speaking, the nation turned on a dime. Peacetime production resumed—and resumed with remarkable rapidity. Our gross national product rose from \$209.2 billion in 1946 to \$257.3 billion in 1949 to \$363.2 billion in 1953 and to an estimated \$434.4 billion in 1957.

That was only half the miracle. The other half was the nation's ability to digest this enormous increase in the gross national product. Personal consumption expenditures rose from \$146.6 billion in 1946 to \$180.6 billion in 1949 to \$230.5 billion in 1953 to an estimated \$280.5 billion in 1957. Remarkable progress in distribution during this period achieved the extraordinary result of keeping in step the sharply increasing ability not only to produce, but also to consume.

TV Advertising—From Zero to \$1.3 Billion

TV, especially network TV, played a substantial role in achieving this economic miracle through helping to market

the tremendous output of this country's postwar productive facilities. For this same period was the period of TV's explosive entry on the American scene. It is more than coincidence that this rise in output and in consumption came with the rise of TV from a force of virtually zero at the end of World War II to a force embracing over 5 hours a day of the time of 42,000,000 families in the United States today.

Indeed, the role of TV in this dramatic economic rise has been recognized by the producers and distributors of our goods and services in the most concrete form possible—through their investment in TV advertising. These are hard-headed industrialists who want value received; and the total of the dollars they spent in TV increased from almost nothing in 1946 to \$57,800,000 in 1949 to \$1 billion in 1955 and to an estimated \$1.3 billion this past year.

American industry itself has established that TV is an extraordinarily effective force of marketing and distribution. The record leaves little doubt that it has played a vital role in our expanding economy of the last decade. And—again, unless we go into a temporary controlled economy because of defense requirements—the demands upon television to contribute even more to the maintenance and expansion of our economy will be greater than ever in the immediate years ahead.

We have been looking thus far at the challenges facing us as an industry right now. We know that the survival of our society can be importantly affected by the ability and determination with which we carry out our social responsibility as an instrument of information, discussion and action in a democracy. We know that we can make unique and determining contributions to the national economy as an instrument of marketing and distribution.

Now let us look at how we stand so far as our prospects for carrying out these functions go.

Dangers in Pay-TV and Barrow Report

This industry is entering a time of decision revolving about proposals that would disrupt and seriously weaken the present role of TV in our society. These proposals come when the industry faces unprecedented responsibilities.

There are two threats to the vitality of our industry. One is pay television, whose official beginnings in the use of the air waves are less than two months away, unless Congress intervenes. The other is the FCC's Study Staff Report [the Barrow Report] . . . let me state some general principles which, I believe, should govern your consideration of these issues.

First, let me state my deep conviction that no matter how vital the role of a TV network may be, it is entitled to no immunity from competition or from the normal operation of existing laws or the ethics of our society. We ask for no such immunity.

At the same time the stake of all the public, all society, is so large that we ask those who consider these changes to take a searching look at what we are doing and what they are proposing. Let them examine closely and fairly—not in grudging "yes but" sentences scattered in isolation among 1,400 pages of prose, but comprehensively—what networks have done, what they are doing, and what they can do. Let them make a fair appraisal not only of abstract theories of the public interest but of the actual interest of the public in network TV. Let them focus on the public itself—what the public wants and what the public has a right to expect from us, and from them. Let them weigh carefully—far more carefully than they have done so far—whether the service to the public will be strengthened or weakened by their proposals.

And above all, let them not guess. The risks are far too great for them to shrug their shoulders and say, "We're not sure—but let's try and see what happens." Too much is at stake for that kind of theoretical guesswork and ex-

perimentation. If they concede that they have doubts about whether their medicine is remedy or poison, considerations of the public interest and the national welfare flatly reject any attempt to find out by forcing the patient to take it.

For the risks are real. Network TV has grown so fast and has proven so lusty that our critics and reformers tend to overlook the complexity and delicacy of the mechanism. With the rate of growth of the last years, it may give the illusion of invulnerability and indestructibility. I wish I could say that pay TV and the Study Staff Report are nothing more than irksome, that they will hurt us only a little, that we can roll with the double punch and come back stronger than ever. I have searched these issues carefully and as conscientiously as I know how: I cannot say these things, because I do not believe them. I do not believe that we can brush these threats off—or that they are not of the utmost seriousness.

Let me try to explain why as briefly as I can—not because you do not know the facts but because others so often ignore them.

You are familiar with the enormous and complex mechanism—in terms of men, money, facilities, energies and organization—which is a TV network; of the tremendous risks which must be taken, the long and expensive planning not only for the next half-hour and the half-hour tomorrow, but for next year and the year after, of the twin characteristics of the double liability and the violent economic swing which are the special hallmarks of TV networking.

No Built-in Guarantee of Profits

I take your time to remind you of these things because there seems to be a tendency on the part of others to assume that, on the basis of the past 4 years, there is some built-in guarantee of onward and upward profit in networking. The growth has been enormous—since 1952, TV networking has been profitable for us. But it was not always thus. The year 1957 has reminded us that the maintenance of the level of profits is not automatic. CBS, Inc. showed increased profits in 1957 over 1956 only because 1956 saw the liquidation of our unprofitable receiver manufacturing division. And although the CBS-TV Network had a record year in 1957 in terms of revenues, the increased costs of doing business resulted in an actual decline in the Network's 1957 profits as compared to 1956.

There is a softness in the national economy. We begin this year 1958 optimistic, but realistically aware that this softness may well be felt in TV networking. We shall have to work, and work hard.

We must never forget—although outsiders overlook it—how significantly the loss of a single half-hour in prime time can affect network profits. Loss of half an hour a week for a year can cost a network almost \$3,000,000: \$1,300,000 in time revenues—out of which the network must support all its entire organization, its programming, its news and public affairs and other activities—and \$1,600,000 that it must—except perhaps in marginal time—spend in order to maintain its overall schedule and its service to affiliates.

It is plain that it would take only a relatively small amount of sponsorship loss to wipe out a network's profits.

The Profits Are in the Stations

This instability of network profits is in sharp contrast with the comparative stability of station profits. When a network sponsor is lost, the station loses only a relatively small amount; and it can either sell the time period itself, thus making up the loss of station payments, or, at worst, it can take the network service, thus saving itself the cost of programming.

Even in years of maximum network profits, the profits of a network's handful of owned stations come close to

matching those of the network. Year in and year out, the full quota of stations which a network can own yields a larger profit than the network. The same is true of non-network owned stations. In 1954, the total net profits of the 7 largest CBS-TV non-owned affiliates exceeded the total net profit of the Network. Although in 1955 and 1956, it took about 12 affiliates' total profits to equal the Network's, by 1957, according to our rough estimate, the total net profits of as few as 8 or 9 of our largest affiliates again exceeded the total net profits of the Network.

The significance of this elementary arithmetic in TV broadcasting is clear. As a matter of plain economics, chipping away at the current structure of TV networking is bound adversely to affect the service which the network can provide to its affiliates and to the public.

This is why pay television and the proposals of the Study Staff Report pose such ominous threats to the continued maintenance and expansion of the functions which the times today so urgently call upon TV networks to perform. Let us look at the facts as to each of these threats.

Pay TV Would Drain Free Network TV

First, if, as pay TV's proponents claim, it should prove commercially successful, it seems clear that it would drain the vitality from free network TV. Over-the-air pay TV would necessarily black out free TV from a channel while it is broadcasting the scrambled signal; a station cannot simultaneously broadcast a pay signal and a free signal. As programs and audience are drawn away from free TV, circumstances may well force affiliates, as a matter of self-protection, to turn to pay TV. As this occurs, the stations would, of course, be unavailable as outlets for free network broadcasting. And without a nationwide aggregate of outlets, there is no network.

The effects of the black-out are further compounded by the siphoning effects of pay TV. It takes the quarters and half-dollars of only a small minority of the audience to provide the pay TV promoters with a war chest large enough to attract away the talent—the performers, the producers, the writers, the creative people who provide programming for network TV.

Thus the audience is fragmented; free TV's coverage is fatally narrowed; and at the very moment of greatest need, its programming creativeness on which network TV is so heavily dependent, is drawn away.

In these circumstances, network TV as we know it today, cannot survive if pay TV is successful. The American economy is deprived of an important instrument of marketing. A source of entertainment and of information is hijacked from the American public. This is not a matter of lack of confidence in the strength and resilience of free network TV. It is just a matter of economic and electronic facts which are inescapable.

Threat of the Barrow Report

The Study Staff Report poses threats from a different direction but of, perhaps, even greater gravity.

Barrow Texts Available

EXTRA COPIES of this Supplement are obtainable from us at \$1 each. Text of summary & recommendations (Chapter XV) of FCC Network Study Staff [Barrow] Report was published by us in this same handy looseleaf format as a Special Report Oct. 5, 1957 (Vol. 13:20) and copies are available at \$1 each while supply lasts. Full text of Barrow Report is being printed in 6x9-in. format by House Committee on Interstate Commerce; 750-p. document is to be available in about 2 weeks at \$2 from Govt. Printing Office, Washington, under title *Network Broadcasting*.

I do not believe its authors *intend* to cripple TV networks. I do not believe that every one of its suggestions and recommendations involves a matter of life or death for us. I do not even contend that if all of its proposals were adopted tomorrow, we would have to shut up shop the next day or a year from now.

But I do believe that the very nature of this business of TV networking—the delicacy, the vulnerability of its profit structure which I have just described—is such that the combination of such proposals as the unlimited regulation of networks, the reduced ceiling on network ownership of stations, and the elimination of option time, would critically hobble TV networking as it is today, and stunt any possible growth.

This conclusion is inescapable. The Report itself concedes, at least implicitly, and sometimes explicitly, that its intention is to constrict networks. We must assume that these proposals have some meaning, and are intended to have some consequences. Those intended consequences appear clearly from the Report.

Where Govt. Could Hurt

Let us take, for example, the proposal broadly to regulate networks—in their relations with affiliates and advertisers and in programming. Unlimited regulation of the essential business judgments which a network must make will inevitably deprive TV networking of that mobility, flexibility and efficiency which it needs to serve as an effective and competitive advertising medium. The responsibility for the delicate and exacting task of putting together the most efficient network unit in terms of affiliates and program structure would, under the Report's proposal, be divided between the network and the Federal Government.

This can only mean a less effective advertising medium. And that means less income. And less income means less programming service—in quantity and in quality.

The elimination of option time would have the same effect. The Report expressly contemplates that less clearance will result. It says it does not know how much less clearance there will be and concedes it might become excessive to the point of having to restore option time in order to preserve networking.

This is a dangerous game to play. We know, on the basis of the elementary economics of TV networking, that not very much non-clearance can well be too much. It does not take many half-hours per week, as we have seen, to wipe out the network profits altogether. And every loss of a half-hour compels us, as prudent businessmen, to review our plans to see where we can and must cut our service.

Option Time and Station Ownership

That is why it is impractical to consider a so-called compromise of cutting nighttime option time down from 3 hours a night to, let us say, 2½ hours or 2 hours. I must assume that such a proposal means what it appears to mean—the ultimate loss of sufficient clearances to attract network advertisers during 3½ to 7 hours of prime time a week. And if network service is to continue during those periods to satisfy the demands of the great majority of affiliates, 3½ to 7 hours a week translates to a loss of \$10,500,000 to \$21,000,000 a year.

We can afford no such loss—not if we are to maintain and improve network service, not if we are to meet the demands of our society.

The same considerations apply as well to the question of limitation on ownership of stations. There, too, it is simply a matter of economics. If our major source of stable income is taken away, or significantly reduced, we would have to do what any sensible businessman would do: pull in our belts. The boldness, the planning, the risk-taking, the huge investment in news and public affairs—these would become the immediate victims of any such proposal.

All these proposals are deeply serious. Either pay TV or the proposals of the Study Staff Report—whatever their intent—could so weaken networking that it would be economically impossible to sustain our activities, and particularly our informational activities, at their present level, let alone respond with vigor to the new demands of this missile age.

To run this risk, it seems to me, is the blindest folly. If any industry has had a direct stamp of public approval, TV, with its 42,000,000 families viewing over 5 hours a day, has had such approval. If any industry developed at the right time and the right place to respond to the emergent demands of this ICBM Age, it is the TV industry. The stimulus for this growth, the backbone for the public acceptance, and the means by which the industry can fulfill its urgent new responsibilities are primarily network TV.

No Public Demand, No Disease to Cure

In these circumstances, these insistent moves for experimentation seem almost inexplicable. They do not find their roots in any public demand. They are not justified by any disease which calls for such drastic cures.

There are times when an ounce of prevention ought to be worth a pound of cure. At the very least, those who

would tamper with the structure ought to meet the burden of proof that there is need for these proposals—and that they will constitute a cure and not a fatal dose. They have not begun to meet such a burden of proof. The Commission's own decisions in respect to pay TV, as well as the Study Staff's own explicit admissions in respect of most of its proposals for network reform, establish an uncertainty about the results of what is suggested.

With all that is at stake, this is, indeed, a dangerous road to travel.

And so I ask you to decide for yourselves where we of the industry should go from here. Concededly, the TV networks are the first target—or the first victim. But can you reasonably conclude that you are unaffected? Can you reasonably conclude that the public is unaffected?

If you decide that the dangers are real, and that we have something to preserve, I ask you to permit us at the network to join with you in meeting those dangers.

If we present the facts together, I am confident that I can come back another year and talk in a far different way—not, as today, with such deep concern about our future, but with deeper pride that TV is fully meeting its responsibilities in this perilous age.

A Report on the FCC Network Study [Barrow] Staff Report

By RICHARD S. SALANT

I—INTRODUCTORY

MY ASSIGNMENT—to tell you something about the FCC Network Study Staff Report as we at CBS see it—is a challenging one. The very dimension of the Report is a basic reason for the problems I face. It is, as you know, a ponderous report . . . and I regretfully remind you that the books are not yet closed. Still to come in the near future is the Study Staff's report on programming which the Staff was unable to complete for inclusion in the present document.

One preliminary point before I get to the Report itself. No summary can, in the time allotted, do the Report complete justice. Its full import and flavor cannot be accurately reflected except by a careful reading not only of its final Chapter 15, the "Summary and Recommendations" [for full text, see *Television Digest* Supplement of Oct. 15, 1957], but of all of its preceding 14 chapters. Only then does its underlying reasoning and its basic philosophy and approach to our business of broadcasting become clear. Far more important to the broadcasters' long-range future than the bare specific proposals is the reasoning embodied in the Report and the clear reflection of the potential—the things to come. For many purposes, the "near misses" in the Report—the suggestions of new FCC power to act, without recommendation that it act now—are of the gravest significance.

Hearings Scheduled to Start March 3

In any event, the enormous size of the Report requires that any summary analysis of it must necessarily involve a process of rather drastic selection, simplification and omission. Each of us—if we had the opportunity to pore over it—would doubtless find something different on which to focus and emphasize. In these circumstances, I would hope that some time soon you have the opportunity to read all of the Report for yourself. And I would remind you that all of us will have the opportunity to address ourselves formally and directly to the full Commission, which under a notice issued last Thursday, announced hearings beginning March 3 at which all interested persons may testify to

their views on this Report. We at CBS shall certainly do so—and some or all of you may wish to testify, too. It may be a chance to lay this dangerous thing to rest once and for all.

Let me turn now directly to the Study Report itself. I would like to take it in two bites: first, a discussion of some *general* aspects of the Report, and second, comments on a few of the specific proposals which I hope will serve to illustrate and illuminate these general aspects. I should emphasize, however, that in discussing some of the Report's proposals, no inference should be drawn from my not referring to the rest. The omission does not necessarily indicate a lack of deep concern. Rather, I have sought to select just a few of the important proposals to illustrate the nature of the Report, its reasoning, and its reach.

II—THE NATURE OF THE REPORT

Its Philosophy, Basic Approach and Techniques. Over the years, through its comparative hearings and its actions on license applications and renewals, the FCC has undoubtedly accumulated in its files and as part of its expertise a knowledge of the business of broadcasting and the end product of all of that business—programming—the service to the public. Yet despite this undoubted accumulation of facts, the conclusions of the Report depend on a series of theoretical assumptions which, so far as the Report shows, are never checked out against those facts.

For instance, underlying the entire Report, and molding many of its conclusions, is the assumption that the greater fractionation—the smaller and weaker the business unit—the better off will the industry and the public be.

This curious compulsion to split the industry by making each unit as weak and uncertain as possible is illustrated by the contradictory results the Report reaches on two different subjects: On the one hand, its stated reasoning underlying its proposals to supervise a network's affiliation determinations—a subject to which I shall come back a little later—is to "equalize" stations' bargaining power with the network. Yet the Report rejects out of hand the

one clearest and most immediate means to provide affiliates with strength and stability: The extension of station licenses—and hence the possibility of network affiliation—to 5 years, which, as you know, the FCC has itself recommended. The authors of the Report base the rejection of this proposal on the ground that the FCC should not take action—and this is the Report's own quote—"to allay a lingering insecurity in the minds of affiliates." The Report states that stations should be subject to the "risk" (their word, not mine) of affiliation changes.

Philosophy of "Break 'Em Up"

No clearer proof is possible of the Report's underlying philosophy that strength and stability are in themselves *contrary* to the public interest, and weakness and insecurity *advance* the public interest. I can't reconcile the conclusions on these two issues any other way.

I use these two conclusions—concerning affiliation determinations and license period—only as examples of this "break 'em up" philosophy which is so apparent throughout the Report. If you reject this philosophy, I think you must reject much of the Report.

Compounding this philosophy, however, is a remarkable progression of reasoning which becomes apparent as the Report is analyzed. I should say, in all fairness to the Report, that it has a sweep about it that carries you along, from one point in the stream to the next, until you are over the waterfall. If you stop and think, however, you wonder what you are doing in the stream in the first place. But the Report has a surface air of objective academic diagnosis, weighing the pros and cons. If I may change to a dry image, it is like some of the pro football games we have seen recently: First one team gets the ball and scores, then the other team does the same. By some strange chance, even though our team makes a lot of touchdowns, the winning touchdown always seems to be scored at the last minute—*against* us. It is not very consoling to realize how close we came.

Hocus-Pocus and Legerdemain

I think it is fair to say, too, that there is more than a little legerdemain—a touch of hocus-pocus—in the way the game always winds up with the industry on the short end. That legerdemain consists of a sharp departure from the usual rules of justice and logic; and curiously, what the Report does is just exactly opposite from the rules which it sets for itself. For the Report repeatedly emphasizes the importance of networking and its contributions to the industry and the public. It says, quite clearly, that networking is in the public interest—we are grateful for that—and that networking is essential to a good nation-wide well-balanced program service. And it says that the present rules under which this has been accomplished *should not be tampered with in the absence of a conviction based on comprehensive study, that the result will improve rather than deteriorate the situation.*

If there ever was a guiding principle that was nicely and emphatically stated, and then—not ignored—but turned around 180 degrees, that one surely is it. Time and time again, the Report gets to its conclusions not by application of this principle but instead by doing just the opposite—by shifting the burden of proof—of justification—to the networks and the industry. The Report does that in its discussion of almost every business practice it examines. Repeatedly, the Report raises questions about a particular practice, weighs the considerations on both sides, and then in effect, concludes that the practice, no matter how remote from the public and how rooted in sensible and legal business principles, must nevertheless satisfy some vague and subjective standard of "the public interest" in order to win Federal permission.

It is not even enough that the practice be neutral—that is, that it *not* harm the public interest. Instead, the Report

requires that the industry *prove* that the practice makes some *positive* advance to the achievement of the public interest. But "proof" in the sense that would satisfy the Report is not possible: One can probably prove to a reasonable mind that a particular rate or a decision not to affiliate is sensible business, and not illegal or evil. But one cannot *prove* that a \$375 rate—rather than \$400—or a particular affiliation or non-affiliation affirmatively *advances* the "public interest."

I cannot over-emphasize this line of reasoning that's so basic to the Report—because without this approach, the whole Report and its proposals collapse. For what the Report really does to get to its final scores is to set up a new rule of the game: That when we of the industry come up to bat, we not only start with 2 strikes against us, but *we're out unless we hit a home run.* That's a hard game to win.

The Implications of the Report—Its Long Range Effect on the Industry as a Whole. It is natural, human tendency to examine a Report like the Study Staff Report with the primary question in mind: "Does it directly affect and hurt me—or does it just hurt the other fellow?" If we decide it is mainly aimed at someone else, we will leave it to him to fight out. This is normally just a matter of discretion and wise conservation of energies. Why fight somebody else's fight?

But when the Report is read in its entirety, it is clear that little can safely be allocated to one group or another, and ignored by the rest. This is so not only because of the basic truism that affiliates depend for their service on an economically sound and strong network, and a network depends in turn on economically sound and strong affiliates. It is also true—and even more importantly—because the Report would radically alter the concept of American broadcasting as we know it. It would shift sharply from minimum, or at least moderate, Government regulation of, and interference with, American broadcasting. It would impose a new and over-riding Federal supervision and regulation. It's true that, on some items, the Report concludes "not yet." There is a "but"—a proposal to intervene *eventually, but to acquire the power now.* I'll come back to that shortly. Under the guise of requiring every business act affirmatively to vindicate some vague standard of public interest—not only to meet it, but to advance it—the Report would place the Government in the position of exploring and reviewing the most intimate business practices of our industry.

All Segments of the Industry Affected

Purporting to act in the name of free competitive enterprise, the Report instead would substitute a sweeping Government control in which the business decisions of advertisers, stations, and networks would be potentially subject to supervision, review, and regulation by the Federal Government. I think that this will become clear as I go along this morning.

Superficially, the Report's focus is largely on networks. But networks' relationships with, and service to, stations and advertisers are necessarily involved.

In any event, political history makes it clear that regulation very rarely stops with one segment, for no segment is an island. It took just 10 years for labor's Wagner Act *protecting* labor to be followed by the Taft-Hartley Act *regulating* labor. Perfect balance is rarely possible; when the Government steps into balance the scales according to its own lights, it must never be forgotten that there are two sides to the scales; when they start putting on and taking off weights on one side, they usually wind up weighting—or lightening—the other side too. That's why I don't believe that *any* segment of the industry can rest secure that in the long run it can or will escape the reach of the Report.

III—SOME OF THE REPORT'S PROPOSALS

Now let me review, as briefly as possible, some of the Report's proposals. I believe they will illustrate what I have just been saying. Let me take up the proposals dealing with four areas: (1) affiliation practices; (2) option time; (3) multiple ownership; (4) regulation of networks.

1. **Review of Affiliation Practices.** The report concludes that in exercising their power to select affiliates, the networks "have in some respects served the public interest, but in other respects *may* have acted contrary to the public interest" [*italics mine*]. It then proposes that:

(a) Networks be required to file with the FCC a full and detailed statement of the criteria governing their affiliation and dis-affiliation policies;

(b) Networks be required to file with the FCC reports on all *changes* in affiliation, the *basis* for each change, and all requests for affiliation, the disposition of such requests, and the *reasons* for the disposition;

(c) Networks be prohibited from using as a basis for affiliation the fact that the licensee is a multiple owner.

Preliminarily, I think two points are worth noting. First, These proposals are not based on a finding that networks' affiliation practices *have* contravened the public interest, but only that they "may have." Here we have a clear illustration of this process of shifting the burden of proof which I have mentioned.

Where's the Abuse? Why the Hostility?

One would normally expect that if there could be any justification at all for Federal intervention into affiliation determinations, it would be fitting to establish that there has been some widespread and serious abuse. But this, precisely, is what the Report does not do. It carefully limits itself to a statement that in some respects we *may* have acted contrary to the public interest. Here we have a clear illustration of this process of shifting the burden of proof which I've mentioned. You would normally expect that if there could be any justification at all for Federal intervention into affiliation determinations, it would be fitting to establish that there has been some widespread and serious abuse but this precisely is what the Report does *not* do. It carefully limits itself to a statement that in some respects we *may* have acted contrary to the public interest. Whatever "public interest" means in that context—and I'm not sure what it does mean—the significant thing is that the Report did not conclude that in any respect have we *in fact* acted contrary to the public interest.

The second preliminary point on this question of regulation of affiliation is this: Lengthy and detailed as the Report is, it buries the fact that the CBS-TV Network has in fact long since furnished to affiliates and other interested persons its affiliation criteria. I wonder whether the omission of that well-known and easily ascertainable fact, which would appear to be so relevant to the Report's treatment of these issues, isn't significant of the Report's hostile approach.

But let's dig a little deeper into these proposals relating to affiliation and see what they really may mean. The Report gives them a great deal more content than appears at first glance from a mere listing of the proposals. I could hardly stand here and claim that if the full limits of Federal supervision of this area were just the filing with the FCC of our criteria and reasons for action, and the prohibition of multiple ownership as a criterion, our world would come to an end, or even that we would be seriously affected. We are not ashamed of our affiliation criteria or our affiliation determinations. We have nothing to hide; that is why we have published them. And we do not, nor do we want to, affiliate with any station merely because it's multiply owned.

But there is more—much more—to it than that if the Report is read carefully. The Report does *not* confine the FCC's power to veto criteria just to the one criterion of multiple ownership. It expressly proposes to empower the FCC to prohibit "the application of criteria"—*any* criteria—which it might find are contrary to the public interest. And that means more than just prohibition. Any of us who remembers the old game of "eeny, meeny, miny, moe" knows that elimination also means affirmative *selection*.

Should FCC Intervene on Affiliations?

Let's just take an example to illustrate the potential reach of these proposals. Our affiliation criteria include maximum unduplicated circulation and the most efficient coverage of major markets. This leads to our choice, quite often, of VHF stations in the larger cities. The FCC may say—as the Report in its earlier chapters indicates—that there is an affirmative public interest in encouraging the growth of UHF stations and VHF stations in smaller overshadowed markets. Under the power which the Report proposes to vest in the FCC, the FCC could well emphasize *that* aspect of the public interest and veto our basic criteria of maximum unduplicated circulation and coverage of major markets and force us, instead, to affiliate with UHF stations in any market or VHF stations in smaller overshadowed markets. We might not want to use two stations to serve an area which could be well served by one. You probably would find it distasteful to share your audience with a next-door-neighbor affiliate. Yet that could be the result in a number of cities.

I am not being unduly alarmist. Lest there be any doubt that just this kind of Federal supervision is contemplated, I would remind you that the Report suggests that the FCC be empowered to review whether, in its affiliation decisions, a network uses "appropriate measures of over-shadowing" or gives "undue attention to protecting the service areas of basic stations."

Now, I submit that any realistic appraisal of this aggregate of proposals compels the conclusion that the Commission would be forced—whether it wanted to or not—to get deep into the very "direction of the affiliation process" which the Report denies. The reservation of the right on the part of the FCC to disapprove criteria, together with the requirement that the networks explain to the FCC each affiliation and disaffiliation action, can inevitably lead to intervention by the Commission with respect at least to those actions which give rise to complaints by stations, local citizens, legislators and other officials. After all, we at the network have learned the hard way how severe the outside pressures on affiliation matters can be. The FCC can insulate itself from such pressures now—it has no power to intervene—but once it has the broad reservoir of powers, it is hard to be optimistic about its ability to resist the pressures on it to intervene in affiliation decisions. With the machinery thus created and the power vested with the FCC, it would soon become the forum for making the affiliation determinations and reviewing the business judgment of the networks and of the stations.

The process of making affiliation decisions involves an area of difficult and delicate business judgments on which networks depend for their competitive success not only as against each other, but as against all competing media. It may be conceded that we have no monopoly on wisdom, and that not every affiliation decision of CBS Television has been "correct" (assuming there can be a right or a wrong decision). But certainly the substitution of Federal decision, based not on sound business policies but on unspecified "public interest," with all the inevitable pressures and lack of intimate knowledge, provides no assurance of greater protection to the stations or to the public. On the contrary, long standing relationships be-

tween stations and networks will be jeopardized by Federal intervention, and, even worse the strength of the medium itself will be weakened and made more vulnerable to attacks by competing media which are left free to conduct business on the basis of sound and sensible economics.

The Option Time Issue

2. Elimination of Option Time—As Frank Stanton pointed out, the Report proposes to eliminate option time entirely. The issue has been discussed in detail elsewhere—in Frank Stanton's testimony and the testimony of affiliates before the Senate Interstate and Foreign Commerce Committee, and in the CBS "Network Practices Memorandum." This morning, Frank Stanton emphasized the gravity of the danger to network service which the proposal to eliminate option time involves.

I need not stop here to review the merits of the issue of option time and the effects of the proposal: It is enough to recall that option time is the means by which we can provide network advertisers with some reasonable assurance that they will get what they seek to purchase: that is, simultaneous nation-wide circulation. Without option time or some similar device, a network has nothing on the shelf to sell. Without option time, a handful of stations in key markets can make a time period unsaleable for the *entire* lineup of stations; and by the process of check-boarding different half-hours, the process of erosion can set in throughout the entire schedule. And without option time, once a network time period becomes unsponsored, the period may be lost forever to networking simply because there is no practicable means for reentry as long as the local or national spot time sales contracts for the period terminates at different dates on different stations.

It isn't necessary to go through that in detail now—what I would like to emphasize today is just how the Report reaches its conclusion on this issue and on what basis it turns its back on the overwhelming weight of informed judgment that option time is the foundation which *makes* a network and protects it against erosion. The Report concedes that the erosion process which we envisage "is not so improbable that it can be discarded out of hand." It concedes that "there might be some loss of network clearances;" it does *not* conclude that the loss would be minimal; it goes no further than to conjecture that this loss "would probably not"—that's all, "would probably not"—"reach a point that would seriously impair the network service." Then in its summary on this issue, the Report concludes that

"No one can state with certainty whether or not option time is essential to networking. There is a definite possibility that some erosion of station clearances would take place without option time. . . . On balance it *seems* improbable that the loss of clearances, if it occurred, would reach a magnitude that would endanger network operations. . . .

"If it should appear that the network system was being endangered, it would then be possible quickly to take remedial action." [Italics mine.]

Doubt-Ridden Objections to Option Time

A more hedging, dubious and uncertain approach can hardly be imagined. This is certainly a remarkable way to handle such a vital matter as option time. In effect, the Report concedes that there may be fatal erosion. It concedes its uncertainty as to whether option time is or is not essential; it concedes it so explicitly that it states that if it is wrong about option time, the Commission can always quickly restore it. Some consolation! It resolves the issue—and endangers the whole structure of broadcasting—by the hocus-pocus of which I spoke a little earlier—the process of shifting the burden of proof to us. But of course that burden is, literally, impossible to meet to the Report's satisfaction; it is a burden of proving what will happen in the future.

Certainly in the light of the Report's own doubts, in the light of its concessions that option time has not been abused, and in the light of its repeated findings of (a) the importance of networks to the public, and (b) (in connection with its approval of first call) the danger of "fractionation" which might "tend to undermine the continuance of nationwide network organizations," it is wholly improper thus radically to alter so vital a current practice on such doubt-ridden and tentative grounds. It would seem to be obvious logic, as well as elementary justice, not only to the networks and their affiliates, but to the public, that those who want to make such a drastic change should themselves assume the burden of proving it would be beneficial. And they haven't done that.

In sum, it is not even necessary to go outside the Report itself to compel the conclusion that option time should be preserved. The Report emphasizes the importance of networks. It states that their vitality should not be endangered. And the Report clearly is uncertain whether elimination of option time might not present precisely that danger. So the Report itself has not satisfied that degree of proof which must be met before there can be justification for the Government's prohibition of this vital element of voluntary network-affiliate relationships.

The Attack on Multiple Ownership

3. Multiple Ownership—The Report includes a series of proposals concerning multiple ownership, including (1) no one may own more than 3 VHF stations in the top 25 markets; (2) it proposes an extraordinarily strong and perhaps over-riding presumption that a local owner, or one who owns no other station "will serve the local community better;" (3) it proposes repeal of the MacFarland Amendment and restoration of the AVCO rule, so that station transfers, which would be required to be on a cash only basis, would be subject to comparative hearings among all matching bidders; (4) it proposes to apply to these comparative hearings in transfer cases the strong presumptions favoring single-station and local ownership; and (5) it proposes "appropriate" but not over-riding weight to be given to the factors of local ownership and diversity of ownership factors in connection with competing applicants on renewal—with the renewal process to be utilized to "weed out" broadcasters who are "performing a marginal service."

Further, under a proposed rule applicable only to networks, networks which must divest themselves because of the limitation of 3 in the top 25 are, in effect, debarred from acquiring the remainder of the permissible quota in any other market, regardless of size.

The Report frankly concedes that the ultimate and specific objective of these cumulative proposals is to achieve "a pattern of ownership which approaches one-to-a-customer as closely as these circumstances permit."

Single-Station Owner Jeopardized, Too

These proposals provide a vivid illustration of how far the Report goes down the road once it gets up momentum. While at first glance, these rules wouldn't appear to be of particular concern to most stations—or at least to those not involved, currently or potentially, in multiple ownership—their sweep is much greater. In fact, they affect *all* stations, both directly and indirectly. They involve not only a few multiple owners but they restrict single-station owners on the terms and conditions on which single-station owners can dispose of their stations; they jeopardize single-station owners on renewal. And there are fundamental principles involved which none of us can afford to ignore because they affect the structure of our entire industry.

First as to basic principles—these rules pose a problem to any station interested in maintaining the greatest degree of participation for itself, and for all broadcasters, in our traditional concepts of free competitive enterprise. Note

that the Report specifically disclaims, as it must, any finding that present stations' holdings involve any concentration of control as would violate any *existing* law. It goes beyond existing law. It would deny to broadcasters, alone among American business men, the opportunity for the successful entrepreneur to grow and expand, which is one of the great American traditions and one of the very cornerstones of the incentive which provides the driving force to our American business system. The rules turn that system topsy-turvy. The Report states that the one factor which the Commission must *not* consider in its licensing—whether in original applications, or on transfers, or on renewals—is the applicant's successful broadcasting record anywhere else. The newcomer, without experience, without contribution to the industry or to the public, is *by that very factor alone*, to be given preference—almost absolute in the case of original applications and transfers, relative in the case of renewals.

No station, I submit, whether singly or multiply owned, can, if it is concerned with maintaining strength and freedom for the industry, view without concern, so radical a notion as this.

Structure of the Industry Threatened

And more than principle is involved. The *structure* of the industry, and its service to the public, is threatened by these multiple ownership proposals. The Commission has itself recognized that a multiple owner "may" better serve the public than an inexperienced newcomer. For example, in some rather well-known comparative hearings, the FCC has found on the basis not of assumptions and theories but actual facts presented in sworn testimony, that a multiple owner should get the grant precisely because of the public interest. The proposed rules would prevent such a conclusion. By definition, in cases like those comparative hearings, the rules would require the selection of a licensee less able to provide the better service.

The application of such a doctrine would deteriorate the whole structure of television, would make it a less attractive medium for the public and the advertiser, for it would substitute the weak and the inexperienced for those with demonstrated records of service. The ultimate threat to the whole of the industry and the public inherent in such a process—robbing broadcasters of incentive to grow, preferring the inferior to the superior—must be obvious.

As for the effect which these proposed limitations would have on both the quantity and the quality of service which a network can provide its affiliates, Frank Stanton covered that; I need not repeat it here. As he has emphasized, it is station ownership which permits the network to continue to supply a full service without constant contraction of quantity and quality with each sponsor loss. As a simple matter of sound business judgment and obligation to stockholders, the risks and losses inherent in full network service—including the vital areas of news and public affairs—would be unjustifiable without the stability and cushion of owned-station profits.

It is hardly comforting to suggest, as the Report does, that we can make up for the loss of station revenues either by borrowing or by entering into some non-broadcasting business. Here the Report indulges in a let-'em-eat-cake philosophy. Almost everybody knows that borrowing costs money—and is itself dependent on a sound record of profits. Nor is going into some other line of business a very comforting answer for us—we still remember, if the Report doesn't, the history of CBS's entry into the set manufacturing business.

To sum up on multiple ownership: The adoption of these proposals relating to—and going beyond—multiple ownership would have an adverse effect on *all* affiliates, on the public, and on the whole of television as an effective advertising and social force.

4. Direct Regulation of Networks—The Report proposes that the Communications Act be amended so that the Commission "be expressly authorized to apply the pertinent parts of its rules and regulations directly to networks."

On its face, and read without the context that the remainder of the Report provides, this proposal would appear to present no very formidable problems. In fact, in proceedings before the House Antitrust Subcommittee in 1956, CBS took the position that it had no objection to an amendment to the law which would permit the Commission to do directly what it now does indirectly—that is, apply the existing network regulations directly to networks, rather than indirectly, and sometimes awkwardly and unfairly, to you as station licensees. CBS adheres to this position, and would not oppose the Report's recommendation on this score if that were as far as it went.

But it is frighteningly plain from a reading of the whole Report that the proposal has an infinitely wider scope than the mere procedural shift concerning to whom the present network rules would apply. The only standard for potential network regulations would be, as the Report states, the Commission's "public interest objectives." The potential range of network regulation would seem to be virtually limitless for, according to the Report:

"Whether effectuation of Commission policy requires a rule in a particular public interest area depends upon the circumstances in the industry, which undergo continual change. Hence, it is not possible to predict the complete range of potential future regulation." [Italics mine.]

The Report itself, however, provides some clear clues to the kinds of areas, heretofore left to free competitive enterprise, in which the Commission would be empowered to intervene. They include (a) network programming; (b) relations with advertisers; and (c) affiliation practices and decisions, rates, and compensation. Let me go into each of these briefly.

Power Over Programs and Advertising

(a) *Programming*: What minimal power the Commission now has over stations arises from the fact that the licensee uses the airwaves. A network, like any other program supplier, does not itself use the airwaves. Nevertheless, the Report expressly states that the power to regulate a network "in the public interest" shall include the power to regulate network programming. In fact, the Report bases its proposed authority to regulate networks on the ground, among others, that such authority would validate "*any*" rule—and I stress that frightening 3-letter word—"*any*" rule which might be proposed, as the result of a subsequent study of programming, in connection with the national public interest served by networks.

(b) *Relations With Advertisers*: The Report suggests that power to regulate networks is necessary in order to prohibit "must buy." Elsewhere, the Report also proposes for consideration a rule which would require networks and advertisers to permit programs to be carried, with commercials deleted, by *non-ordered* stations "upon reasonable payment by the stations to the network and the advertiser." Clearly, no such rules are currently within the Commission's power; they could be effectuated only by the proposed broad power to regulate networks. And if they can do these two things, there is an infinite number of other things they can do in respect of our relationships and dealings with advertisers.

(c) *Affiliation Practices and Decisions; Rates; Compensation*: As I have already noted, the Report also contemplates that, under the broad power to regulate networks, the FCC would be able to review and veto affiliation criteria, and intervene in those affiliation and disaffiliations decisions which it believes do not meet its own notion of "public interest." In respect of network rates and station compensations, at one point the Report specifically denies that it proposes to permit FCC regulation. But

at another point, the Report does in fact assume an FCC right, under the proposed authority to regulate networks, actually to *review* "individual or general network decisions," although it does not recommend such review "at this time"—ominous words, "at this time." Similarly in respect of compensation arrangements between networks and stations, the Report urges the Commission to "make a regular and continuous study," although it is conceded that "the present compensation practices of the networks do not require the adoption of a more specific rule at this time"—those ominous words again. But the point is that the power to issue rules governing compensation is clearly contemplated.

"Pervasive Powers" Over All

These are but some of the indications of the pervasive power over networks, and, just as important, over all who deal with networks including stations and advertisers, which the Report contemplates would be granted to the FCC. And recall, if you will, that although the Report is discussing networks, *your* affiliation, *your* network rate, and *your* network payments would be determined by the FCC.

It is not clear that any general programming decisions, any business practice, or any other action of a network would have immunity from review and control of the FCC under this proposed power. For the standard of the "public interest," at least as it is used by the authors of the Report, provides no clear limitations.

The difficulty is that the Report, in seeking to impose a "public interest" standard on networks, moves into virgin territory. The public interest standards as to *station licenses* has been given shape over the years of FCC decisions by virtue of the basic factor which gave rise to the licensing power—that is, the conflicting claims to the use of the airwaves, which gives public interest a primary context of allocation, assignment and use of such airwaves. In general, however, business practices have not become subject to the FCC unless they involve other laws—such as the antitrust laws, the observance of which becomes a part of the public interest and goes to licensee qualifications.

But, the regulation of networks under a broad "public interest" standard lacks the basic derivation of use of the airwaves. The Report makes it clear that many areas of programming and business decisions would thus come within at least the potential *power* of the FCC. There would be an enormous residual power of Federal intervention into the day-to-day programming and business details of all aspects of networking. And, if the philosophy of the Report were to be adopted, no decision, no action, no policy of the network which the network could not affirmatively establish is a positive contribution to the then current FCC notion of what is in the public interest, would be free of Federal control. The ultimate judgment would be the Federal Government's.

Power to "Hobble the Business"

That concept is dangerously close to public utility regulation of networks. If the Report cannot predict the complete range of potential future regulation—and as we have seen, it expressly says it cannot predict it—surely I am equally helpless. But clearly, the danger would be present because the virtually unlimited power is there.

If the broad power proposed to be granted to the FCC is not to be used by it, the power should not be granted. If it is to be limited, let them come forward and define the limitations. But if the power is to be undefined, and if it is to be used, its grant and exercise would inevitably hobble the business. The basic concept of free competitive enterprise for the industry would be abandoned. A new and alien system would take its place.

The interests of the public itself, as well as all stations which rely on nationwide networks for service, would seem clearly to be staked on a far more limited and defined power to regulate networks than the Report proposes. The alternative—for *all* the industry—appears to be a CBC at best, and a Government-controlled and operated television system at worst. It seems to me that the Report poses major issues for all of us, on which your future, our future, and the future of service to the public, hang in the balance. We'll know more about how that balance swings starting March 3.

■ ■ ■

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

Television Digest
with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — January 25, 1958

DECISION ON PAY-TV by House Commerce Committee due next week. Best bet is resolution urging FCC to shelve tests (p. 1 & Special Supplement).

CORRUPTION CHARGES AGAINST FCC fall rather flat as they leak from Moulder subcommittee (pp. 3 & 4). Hearing slated on Bricker, Smathers bills, others (p. 5).

HOLLYWOOD FIGHTS "death blow" of post-1948 feature releases to TV, as all-industry meeting maps strategy. Talent guilds act against Republic (p. 6).

INVISIBLE ADS: FCC asks Los Angeles' KTLA for details of its planned use of subliminal messages; NAB TV board reinforces code board's ban on use (p. 6).

SECOND RAPID CITY, S. D. outlet brings on-air total to 526, with 3 more due to start shortly. Canada now has 50 stations (p. 8).

DO YOU KNOW THAT more than score of practicing lawyers and/or engineers have degrees in both professions? They're called "lawgineers" (p. 9).

BARROW REPORT HEARING delays rejected by FCC; time extensions granted on individual petitions only. Affiliate groups plan joint testimony (p. 9).

Manufacturing-Distribution

STEREO PHONOS ON BOARDS already as hi-fi makers jump gun, assume Westrex will be standard, anticipate Feb. flow of stereo cartridges (p. 10).

TAPE RECORDER MARKETING DATA due soon from joint EIA-MRIA effort. TV-radio-hi-fi makers consider entry into growing tape business (p. 11).

HUGE DEFENSE CONTRACT for super-radar system to go to RCA; eventual cost \$721,000,000 (p. 13).

AUDIO & SPACE TRAVEL, along with industrial electronics, to highlight 55 technical sessions at March IRE convention; TV again de-emphasized (p. 13).

SUPER-BRIGHT TV projection system for closed-circuit monochrome & sequential color—portable version of Eidophor—to be offered by GE (p. 14).

CRUCIAL WEEK FOR PAY TV'S FUTURE: Swift action on toll TV was promised by Chairman Harris (D-Ark.) after his House Commerce Committee on Jan. 23 wound up 2 weeks of whirlwind hearings. Consensus of experienced Washington observers is that FCC's fee-TV test proposal could be nipped in the bud next week by action of the Committee alone -- without necessity of reporting any bill to House floor.

Committee will act -- or decide not to act -- next week, probably Jan. 30, Harris told newsmen. He gave no clue to what that action might be, except to point out -- in answer to a question -- that there is precedent for simple request by Committee that FCC hold up action until issue is further explored by Congress.

This course of action looks like best bet now. There's little time for full-scale Congressional consideration of this admittedly "hot potato" issue -- and not too much inclination on part of lawmakers to get heavily involved in voting on the subject during this election year. Also, any such legislation would almost certainly run into a roadblock in Sen. Magnuson's Commerce Committee.

Magnuson indicated his Committee wouldn't touch pay-TV issue again with the proverbial 10-ft. pole, after its down-the-middle split last year (Vol. 13:9). He told reporters that "the Commission has acted and given its opinion that it has authority in this field"; therefore, subject is none of Congress' business now.

There's growing belief that FCC would be responsive to simple House Commerce Committee resolution or request for hold-up on all toll-TV action -- particularly since Commission should be in no mood to defy Committee on issue of subscription TV

while it has its hands full with the battle-of-the-headlines staff report of same Committee's Moulder legislative oversight subcommittee (see pp. 3 & 4).

Committee members still seem to lean predominantly against pay-TV -- but the questions they asked at this week's sessions indicated that they take their responsibility extremely seriously, and some "antis" might be persuaded to refrain from voting on any resolution which could be interpreted as blocking experimentation with a new TV development or as usurping legal functions of FCC.

* * * *

Star attractions at this week's hearings were Messrs. Goldenson, Stanton & Robert Sarnoff, who reiterated so concisely all of the classic arguments against coexistence of fee and free TV that we have printed in full their prepared testimony and enclose it herewith as a Special Supplement for your reference.

Questioning of network chieftains was of surprisingly deep and probing nature, but lacked chip-on-shoulder attitude of last week's grilling of FCC (Vol. 14:3). Congressmen were particularly interested in whether networks believed Commission had legal power to authorize fee-TV test -- and whether this issue belonged in Congress or courts. All 3 network heads urged quick action to block test.

Indicative of still-mounting Congressional opposition to subscription TV was fact that both Democratic & Republican House whips -- deputy party leaders Reps. Albert (D-Okla.) and Arends (R-Ill.) -- submitted testimony to Committee to effect that fee TV is overwhelmingly opposed in their own home districts. Also appearing or submitting statements against toll-TV were Reps. Radwan (R-N.Y.), Ayers (R-O.), Baldwin (R-Cal.). On Senate side, Sen. Bridges (R-N.H.) inserted Frank Stanton's testimony in Congressional Record, adding his own personal endorsement.

Witnesses at hearings this week were about evenly divided numerically, pro & con -- but except for network presidents and Jerrold Electronics pres. Milton Shapp they received only perfunctory hearing or were asked to submit written statements by a Committee anxious to keep hearing from running into another week.

Shapp startled some Committee members by announcing he was opposed to broadcast pay TV, but favored a trial -- on grounds that whole idea would fall flat on its face if proponents were forced to put up or shut up. He urged Committee not to take any action which would ban wired pay TV.

Only large station operator to come out in favor of subscription TV -- RKO Teleradio pres. Thomas F. O'Neil -- reiterated his stand in brief appearance before Committee, but shed no further light on when he plans to apply or which system he intends to use. Actually, there are no pay-TV test applications now before FCC -- Commission regarding petition by Philadelphia uhf CP-holder WSES-TV (Vol. 13:52) as "declaration of intent" to apply. It's believed prospective applicants have been holding off until conclusion of House hearings.

Pros & antis, mostly repeating now-familiar arguments in their testimony and written statements (in addition to those already mentioned), were divided this way:

Pro -- Teleglobe Pay-TV System (Sol Sagall, pres.); KSAN-TV, San Francisco (Ch. 32); WATR-TV, Waterbury, Conn. (Ch. 53); WAIM-TV, Anderson, S.C. (Ch. 40); off-air WNET, Providence (Ch. 16); off-air WFMZ-TV, Allentown (Ch. 67); off-air WTAO-TV, Cambridge, Mass. (Ch. 56); onetime uhf operator Lou Poller. Also, Hollywood AFL Film Council, American Civil Liberties Union, Theatre Arts Magazine, Chicago Symphony.

Anti -- AFL-CIO, VFW, Amvets; Reserve Officers Assn. of U.S., Committee on Toll TV (theatre owners). Also, General Federation of Women's Clubs, American Mothers' Committee, National Federation of Music Clubs, American Citizens TV Committee.

Recent rash of pro-pay-TV editorials in large newspapers led some opponents to sniff out a "plot" on part of big publishers to try to "black out" TV as a competitor for advertising dollar. Among newspapers taking vociferous stand in favor of subscription-TV trials in recent week are N.Y. Herald Tribune, Chicago Sun-Times and Scripps-Howard chain (latter owner of 3 TV, 2 radio stations).

'THE GREAT FCC CORRUPTION STORY': Moulder subcommittee staff's alleged evidence of alleged "corruption" at the FCC, in memo report which majority of the 9 Congressmen refused to "buy" but which inevitably leaked, turned out to be rather dull, stale and far from sensational -- but the end is not yet.

Tentatively fixed for Wed. Jan. 29 is hearing at which commissioners are to be asked -- as are those of other independent regulatory agencies like ICC, FTC, FPC, SEC, CAB during week -- about administrative procedure matters. That's main purpose of probe by House Commerce Committee's legislative oversight subcommittee. But there is possibility FCC may get closed hearing ahead of open session in view of leak.

Cries of "whitewash" had been raised when all but Chairman Moulder (D-Mo.) and Rep. Moss (D-Cal.) voted to bypass FCC as prime target of probe and proceeded to pigeonhole confidential memo prepared by its staff director and counsel Dr. Bernard Schwartz, 34-year-old New York U law professor, and its chief investigator Baron Shacklett, alumnus of 5-percenter probes during Truman Administration.

But the memo leaked to reporters anyway (see p. 4), first to columnist Drew Pearson, who attributed probe's stifling to Speaker Sam Rayburn because his nephew, Robert Bartley, is a member of the FCC. However played up, it provided the newspapers with far fewer sensations than had been rumored.

Nearest thing to deep freezers uncovered was that color TVs have been provided on loan basis by RCA for homes of some commissioners. (Sets are "working tools" which FCC hasn't money to buy, replied Chairman Doerfer.) Nearest things to mink coats were receipted hotel bills for wives accompanying FCC members to trade conventions. (Doerfer recalled that in 1954 he accepted \$300 fee from NARTB [now NAB] as extra expenses when wife traveled with him to Spokane conference.) Worst allegation seemed to be that some commissioners not only had expenses paid to conventions or speaking engagements but also collected govt. per diems on such junkets.

* * * *

After memo leaked, first to Pearson, then to N.Y. Times which gave it nearly page of space, then to UP, Moulder called emergency 4½-hour session of his subcommittee. He raised question whether memo should be released officially in view of leak, whether schedule of "general" hearings covering 6 agencies and starting Jan. 27 with CAB should now be revised to put FCC on stand first.

Subcommittee refused to "ratify" Schwartz report by recognizing it to extent of releasing it publicly. Some members were known to resent leak, obviously by one of their own or by one of staff; some felt young Dr. Schwartz wanted to launch upon a "headline binge" instead of devoting himself to administrative procedures. He got headlines, all right, but whether Congress and public will be outraged by allegations covering old-hat procedures and conditions, some long resolved, was doubtful.

No names are named, but Schwartz's staff also indicts commissioners for the alleged use of govt. telephones for personal calls; for "ex parte relationships" and "fraternization" with litigants before FCC; for "inconsistent" applications of licensing standards, thus sometimes favoring big interests, sometimes little ones, with no straight-line policies; for failure to recognize anti-trust charges against some license applicants; for favoritism to RCA by failing to adopt any firm policy on patents, thus giving RCA the breaks on black-&-white and color TV standards.

Where there's smoke there's fire and -- except that memo lacks specifics, smacks of "fishing expedition" by committee not set up for that purpose, goes off half-cocked on highly legal & technical subjects, leaves it to Columnist Pearson et al to amplify innuendoes -- it has merit of pointing up long-festering sore in TV-radio regulations. That sore starts with hack appointments to FCC, for which Truman & Roosevelt Administrations are no less to blame than Eisenhower. It festers with the lobbying activities of special interests -- notably with Senators and Congressmen themselves exerting covert behind-the-scenes influence.

It remained for Jack Gould, N.Y. Times specialist, who takes a perhaps more

objective view than most of us here on the spot, to point up one facet of Washington control not even hinted by young Dr. Schwartz, namely, the personal interests in TV-radio stations by top legislators of both parties, on whom we'll report later.

"If the lid ever came off the sundry affairs of the Commission," wrote Gould, "it could lead to a rather varied spectacular." But the smallish pickings of the Moulder subcommittee didn't impress him, and he thought the outlook for "a really searching inquiry into the whole matter of TV licensing is probably rather slim unless Congress unexpectedly displays a relish for talking over family matters."

[For news about other Congressional activities affecting TV-radio, see p. 5.]

'Secret' Memo on FCC Conduct: Inevitable leaks in closed doors of House Commerce legislative oversight (Moulder) subcommittee widened this week—despite official secrecy imposed by it on staff report charging irregularities in FCC operations (see above).

Excerpts from 30-page confidential memo submitted to subcommittee by director & chief counsel Dr. Bernard Schwartz (Vol. 14:1), urging—unsuccessfully—that investigation of 6 regulatory agencies be centered on FCC, first began appearing in Drew Pearson's column. UP obtained copy, *N. Y. Times* printed text of sections Jan. 23.

Following is abstract of pertinent FCC portions of still-unreleased Schwartz report to subcommittee which so far is no more than staff working paper:

On industry-paid expenses: "Members of the Commission have had their room, board, and other expenses (e.g., cafe, valet, golf fees, etc.) paid by the industry while attending conventions [and] have claimed & received per diem from the Govt. for living expenses incurred by them in attending the same convention . . . [They] have had their wives' expenses paid for by the industry . . .

"Members of the Commission engage in constant fraternization with individuals & corporations who appear as litigants . . . This includes such things as payments [of] commissioners' entertainment, travel, payment of hotel bills, and the like."

Free color TV sets: "Members of the Commission have received for their personal use color TV sets and other communication equipment. [They] have received free service contracts for their personal TV, radio & hi-fi sets from a company which appears as a litigant . . . These free contracts involve savings of up to several hundreds of dollars per year . . ."

Telephones: "Members of the Commission have used Commission telephones (at govt. expense) to make purely personal telephone calls."

What the law says: "If a govt. official seeks reimbursement from the Govt. for travel and/or living expenses which he has not actually incurred, it is at least questionable whether he has not filed a 'false, fictitious or fraudulent' claim against the United States.

"It is important to note that the Comptroller General of the United States, in ruling on Dec. 24, 1957, addressed to [subcommittee chairman] Morgan M. Moulder, has taken a strong position on the propriety of [such] practices [by stating] 'it is our view that the above statute (i.e., 18 U. S. C. 1914) prohibits an officer or employe of an agency of the United States from receiving per diem & traveling expenses from the Govt. and, in addition, having any part of his expenses paid either directly or indirectly by an individual, association, or corporation, subject to the agency's regulatory authority . . .

"While we hesitate to say that the acceptance of gifts by officers of the regulatory agencies offends the

1958 AM-FM Stations Directory

ALL SUBSCRIBERS to the full TV-AM-FM services of *Television Digest*, will receive, week of Feb. 3, copies of our *1958 Radio Station Directory*, revised to January 1. The new directory lists not only all North American AM-FM stations by states & cities (with company names, addresses, frequencies, powers, FM antenna heights, network affiliations), but also includes lists of AM & FM stations by frequencies, AM & FM applications by states & frequencies, AM & FM stations alphabetically by call letters, list of FCC-approved transmitters. Extra copies are available at \$7.50 each; 5 or more, \$5 each.

sense of propriety in every instance, certainly the acceptance of the more expensive gifts, the payment of hotel bills & traveling expenses by outside agencies, gives rise to serious doubts as to their propriety. In our opinion, such practice is not [what] the public demands of govt. officials and should be terminated, thus avoiding any appearance of favoritism whatsoever.' . . .

"It is certainly at least questionable . . . whether [FCC members] have lived up to the judicial standard in their relationships with litigants . . . Nor can it be said in justification of their conduct that other govt. officials have engaged in similar practices [which] strike at the very heart of the scheme of administrative regulation set up by the Congress. If those chosen to be the 'judges' of the communications industry are themselves lacking in the integrity & uprightness of the judge, the regulation itself must fail in its basic essentials.

"It is to be hoped that a public hearing on this matter will help to restore the proper ethical standard and regain for the administrative process the essential integrity which the Congress intended it to have."

On "fraternization": "Members of the Federal Communications Commission have discussed cases pending before the agency with litigants. Such discussion was had ex parte off the public record [and] in at least some instances, referred to the merits of the pending cases.

"It is almost self-evident that ex parte relationships of this type between a quasi-judicial officer and a litigant are wholly improper . . .

"The basic theory of administrative adjudication [is] that the agency decision be based only upon materials contained in the public record . . .

"If the agency members have constant social and other relationships with members of the industry, it may be setting them an all but impossible standard to expect them to cease such contacts where pending matters are concerned. This is particularly true where the industry

habitually confers gifts and favors upon the agency concerned . . ."

Licensing standards: "Some 60 TV cases involving comparative hearings of mutually exclusive applications have been decided . . . These cases have been analyzed in detail [indicating] a most disturbing inconsistency on the part of the Commission [which] has, in effect, enabled the commissioners to act in individual cases on the basis more of whim and caprice than that of the application of settled law to the facts of the case.

"At times [FCC] appears to have made decisions which are diametrically opposed both to the standards [local ownership, integration of management & ownership, past performance, broadcast experience, programming & policies, diversification of mass media control] which it itself has developed and to its own decisions in other contemporaneous cases.

"In addition, there has been observed a tendency [toward] diminishing the importance of criteria such as local ownership [and] magnifying the weight given to the criterion of broadcast experience (which tends to favor the large established company, with extensive existing broadcast interests) . . .

"Even more disquieting, perhaps [is] the fact that the Commission has not been consistent . . . Thus alongside the decisions [which] appear unduly to favor the large applicant with extensive broadcast interests, there are other cases [in which FCC] has continued to give a preponderant weight to those standards [which] favor the small local applicant . . . Such inconsistency [may enable FCC] to reach the result in a given case toward which it is predisposed . . .

"Another aspect [that appears disturbing] are the so-called 'quickie grants' and 'pay offs.' . . . The 'quickie grant' procedure may lend itself to abuses. [FCC] has in a number of recent cases approved substantial 'pay-offs' without any evidence that such payments [by applicants to drop-outs] amounted to no more than out-of-pocket expenses.

"One of the perturbing factors [is] the practice of decision within the Commission itself. The Commissioners themselves do not hear the evidence . . . They are not required to read the record. They do not write the opinions . . . Indeed, the only concrete obligation imposed upon them is that of voting . . ."

FCC & anti-trust policy: "In a number of cases the Commission has refused to consider possible anti-trust violations on the part of applicants . . . The subcommittee should publicly explore the question of whether the Commission's approach in these cases is justified . . .

"Federal Communications Commission decisions of the type referred to bear a close relationship to the Commission's tendency [favoring] the growth of concentration of ownership & control in the field of broadcasting . . ."

FCC & patent policy: "[The] patent situation in the field of radio & TV broadcasting has been completely dominated by the patent position of the Radio Corp. of America . . . During the past 20 years the patent staff of the Commission has constantly pointed out to the Commission in various internal reports [patent offenses] of the RCA. The Commission has, nevertheless, invariably failed to take any action . . .

"In the TV field particularly, the FCC's action [in adopting black-&-white standards in 1945, color standards in 1950] has definitely helped the attainment of its present position of predominance by the RCA . . ."

Busy Congress for TV-Radio: Upcoming hearings before Congressional Committees, announced this week, presage busiest session yet for FCC and the broadcasting industry—quite aside from Moulder subcommittee "exposes" (p. 3). Here's what's ahead on other Capitol Hill fronts:

(1) Sen. Bricker's long-pending bill (S-376) to bring networks under direct FCC control (Vol. 13:2) is due for hearing at date yet unselected by Senate Commerce Committee under Chairman Magnuson (D-Wash.). With Barrow Report overtones (since it is similar to one of FCC Network Study Report's recommendations), the inquiry threatens to demand personal attention at highest network management level.

(2) Bill to divorce broadcasters from music publishing and recording business (S-2834)—introduced by Sen. Smathers (D-Fla.)—is due for hearings by Commerce communications subcommittee under Sen. Pastore (D-R.I.). Measure is aimed by its sponsor at alleged "monopolistic practices" of BMI (Vol. 13:34).

(3) Sniffing monopolistic practices in ASCAP, Chairman Roosevelt (D-Cal.) of House Small Business subcommittee at week's end announced early Feb. hearings on "complaints of small music composers and publishers alleging that a small clique [of] representatives of the large publishing houses has gained control of ASCAP." Justice Dept. anti-trust topkicks and ASCAP officials have been invited to testify.

(4) Perennial bill to bar beer & liquor advertising in interstate commerce—Sen. Langer's S-582—is due for hearing by Magnuson Committee within 30 days.

Toll-TV Vote Looms: Issue of wired fee TV seemed headed for test on June 3 primary election ballot in Los Angeles, as crazy-mixed-up battle of petitions came to climax this week. Movie exhibitor-led Citizens Committee Against Pay TV this week filed petitions containing 100,000 signatures requesting that award of cable-TV franchises to Skiatron TV and Fox West Coast Theatres-International Telemeter (Vol.13:51) be held up and issue be placed on referendum ballot. To obtain referendum, total of 51,767 valid signatures is required by law. Meanwhile, Skiatron v.p. Jerome L. Doff was spearheading movement urging signers of petition to sign new document withdrawing their names from referendum petition. In press conference, Doff accused Citizens Committee of spreading "lies" about wired TV.

Rep. Oren Harris (D-Ark.) has disposed of his interest in his hometown KRBB, El Dorado (Ch. 10), selling his 50 shares for total of \$5000—same price he paid—to other 3 owners. He told us this week he is selling because he had achieved his original purposes—to keep station in hands of local enterprise. Only 200 shares of station's stock have been issued, but remaining 1300 shares of unissued stock will be sold to local people, he said. His small interest wasn't worth keeping, he added, especially since it had evoked critical comment in the press—his House Commerce Committee being responsible for TV-radio legislation.

Damages of \$700,000 for alleged misappropriation of program format for NBC-TV's *What's It For?* are demanded in Los Angeles court suit by Don L. Davis against network, Entertainment Productions Inc., Pharmaceuticals Inc. and Parkson Agency. Davis charges that NBC-TV show, now off air, used format of his 1946-55 *Guess the Gadget, Gadget Jury* and *What Is It?* programs carried by west coast TV & radio stations.

Hollywood in Crisis: "What a prize bunch of fools we've been! We've got to keep the post-1948 movies off TV if we want to stay in business." This comment by an unidentified exhibitor, quoted in *New York Times* following last week end's all-industry meeting on problem of movie releases to TV (Vol. 14:3) was labeled as characteristic of the feelings expressed by those attending meeting.

Unusual Hollywood session marked first meeting of representatives of all movie talent groups—Screen Producers Guild, Screen Actors Guild, Screen Directors Guild, Writers Guild of America—with executives of leading theatre groups to map fight against movies on TV. It was understood that no concrete approach was agreed upon in the closed-door meeting.

Only one major producer-distributor has promised exhibitors a "clearance period" between theatrical and TV exhibition of features—20th Century-Fox, which is guaranteeing that its films will be withheld from TV for at least 5 years after initial release. In Boston, Loew's theatres are using their own technique to meet problem. In ¾-p. newspaper ads plugging "Legend of the Lost" (UA release), theatres are telling public: "Important! Will not be shown on TV for years to come! See it while it's new—on the big, big theatre screen—as it should be seen."

Theatre Owners of America has sent to all movie distributors a report by researcher Sindlinger & Co. which warns that "new post-1948 product, if released to TV within the next year, would certainly be a death blow to movie theatres and to production." And special survey of 5021 persons by Opinion Research Corp., Princeton, N. J., for Motion Picture Assn., found that TV was biggest reason why people are seeing fewer movies in theatres than they did 3 or 4 years ago—22% saying they prefer to stay home and watch TV.

The one movie major releasing its post-1948 features to TV—Republic Pictures, which last week announced sale of 218-film backlog to NBC-owned stations (Vol. 14:3)—immediately ran afoul of the Hollywood talent guilds. Screen Actors Guild and Writers Guild of America announced that they would serve 60-day notices of "cancellation of contract" on Republic and its subsidiary Studio City TV Productions, for releasing post-1948 films to TV without negotiating extra-payment agreements with the guilds. In effect, this action would shut down any production by Republic—but company currently isn't producing theatrical or TV films.

Inevitable consequences: Industry flight from Baltimore's new 6% taxes on advertising started this week, 2 printing firms announcing they were moving away to escape 4% levy on sales, 2% on media receipts (Vol. 14:1). Earlier, 11 other firms left Baltimore because of special municipal taxes on inventory & equipment, imposed last year (Vol. 13:50). Meanwhile court hearing on suits by broadcasters, publishers & retailers challenging constitutionality of 1958 ad tax was scheduled tentatively for March 1. NAB plans to enter case as friend of court. At same time possibility of further spread of tax scheme, already proposed in St. Louis & Norfolk, arose in Woonsocket, R. I., where councilman drafted ordinance for 3% levy on gross sales by media including radios WNRI & WWON. But majority of council was reported opposed to measure.

Hidden Messages on TV: FCC and NAB reacted quickly to letters from Paramount's KTLA, Los Angeles, which informed them that it is planning to send subliminal messages into viewers' homes. Commission fired off letter to KTLA asking for complete report, to be included in its staff-level investigation of the invisible advertising technique (Vol. 14:3). NAB's TV board, without specifically indicating that its action was in any way related to KTLA's announcement, backed up code board's earlier condemnation of use of the process (Vol. 13:46) at its semi-annual meeting this week in Phoenix, cautioning members that "experimentation or use of the process should not be permitted on the TV broadcasting medium pending [code board's] review and consideration." KTLA is member of NAB and subscriber to code.

KTLA v.p.-gen. mgr. Lew Arnold said earlier this week that his station planned to use equipment of Precon Process & Equipment Corp., New Orleans, understood to be conducting subliminal tests now in Los Angeles theatres, and proposes to begin sending subliminal messages "within the next 90 days." He said messages initially would be confined to public service material and viewers would be notified that subliminal technique was being used. If public accepts technique, he said, advertising messages also would be used.

He saw no conflict between subliminal advertising and FCC rules. But if either Commission or NAB raised objections, he said, plans would be abandoned.

Aroused by what it called this "eerie development," Jan. 23 *N. Y. Times* editorial cautioned: "Subliminal advertising is potentially dangerous to the degree that it is successful; and the Los Angeles TV station that says it's about to employ this technique is certainly playing with fire." Meanwhile, N. Y. state legislature received resolutions by Assemblyman Bentley Kassal (D-N.Y.C.) memorializing Congress to investigate subliminal advertising and to forbid its use on TV & radio in the meantime.

Dailies in Trouble: Unhappy 1958 for newspaper advertising is predicted by Jan. 17 *Printers' Ink*—and similar sombre warnings were voiced this week at annual meeting of Newspaper Advertising Executives Assn. in Chicago. Famed trade journal sees dailies "in trouble" from TV competition and other factors despite record-high 1957 advertising revenue of \$3.3 billion, up \$65,000,000 from 1956. At NAEA convention pres. Gilbert B. Swanson boasted that advertisers spent more money in newspapers last year than in TV, radio, magazines & billboards combined, but he warned that dailies' "proportion of the total pie will shrink" unless they do better job of selling their medium vs. TV. *Printers' Ink* points out that actual lineage shrank 2.9% in 11 months of 1957 and newspapers' share of total advertising dollar dropped to 31.4% from 33.6% in 1955. Along with further inroads by TV, it noted rising costs and labor troubles among this year's major threats to dailies. But one note of cheer for newspapers was sounded at Chicago meeting by exec. v.p. J. James Gediman, Hearst Adv. Service; he thought advertisers are starting "return to reality" from high-cost TV time to newspaper space, trading "fever chart of TV for the flow chart of newspapers."

TV spot cost & coverage study of 75 top markets by Nielsen is being distributed by CBS-TV to 4500 advertisers, timebuyers, other agency personnel, with specially-designed sliderule called "Cume-Rule" showing data for 12 daytime, 3 nighttime announcements per week.

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Personal Notes: H. Leslie Johnson, v.p.-gen. mgr. of WHBF-TV, Rock Island, has returned to his desk part time after long illness, is due to return to Mayo Clinic shortly for another checkup . . . Stuart T. Martin, v.p.-gen. mgr. since its inception, succeeds C. P. Hasbrook as pres. of WCAX-TV, Burlington, Vt., latter becoming chairman . . . Larry Lazarus, business mgr., KNXT and CBS-TV Pacific Network, appointed to faculty of L.A. div., Columbia College, teaching business organization & management one night weekly . . . Charles Kelly, operations mgr. of WCKT, Miami, promoted to mgr., James M. LeGate returning to *Miami News* as director of public relations & promotion; Kelly reports to pres.-gen. mgr. Niles Trammell . . . Edward Stanley promoted to NBC-TV public affairs director following resignation of v.p. Davidson Taylor . . . Stephen Labunski resigns as ABN programming v.p. . . . Mort Silverman, ex-gen. mgr. of recently sold radios WMRY, New Orleans, and KCIJ, Shreveport, named gen. mgr. of WJMR-TV & WJMR, New Orleans . . . Carl Gadd promoted to program director of KWTU, Oklahoma City, replacing Perry Dickey, resigned . . . Ben K. West promoted from sales to station mgr. of WTVP, Decatur, Ill. . . . Irwin C. Cowper, sales mgr. of WTIC-TV, Hartford, elected sales v.p. . . . Peter Theg, ex-mgr. of WMTV, Madison, named mgr. of radio WILD, Boston . . . Daniel D. Calibraro promoted to asst. to Ward L. Quaal, v.p.-gen. mgr., WGN-TV & WGN, Chicago . . . Robert Lee Miller, ex-KVTV, Des Moines, joins WTCN-TV, Minneapolis as a director . . . Thomas B. Jones Jr. promoted to chief engineer, WSWA-TV, Harrisonburg, Va., succeeding Warren L. Braun . . . Carroll Bagley, ex-sales v.p., U. S. Production Co. (industrial films) and ex-WNEW, N. Y., joins Screen Gems . . . Joseph M. Brandel, director of European operations, International TV Programs Inc., Ziv's overseas distributor, elected v.p. . . . Pete Cooper, ex-UPA, joins Robert Lawrence Productions as gen. mgr. of animation div., succeeded at UPA by Ken Drake as commercial animation production mgr. . . . Richard Campbell, ex-KNAC-TV, Fort Smith, Ark., joins Screen Gems.

Andrew G. Haley, senior partner of Haley, Wollenberg & Kenahan, veteran radio attorneys, is author of article titled "Can Russia Claim the Moon?" in Jan. 19 *American Weekly*; he's gen. counsel of American Rocket Society, pres. of International Astronautical Federation.

Robert L. Hammett, the San Francisco consulting TV-radio engineer, has formed firm of Hammett & Edison with Edward Edison; new offices are on Bayshore Highway, new mailing address Box 68, International Airport, San Francisco (phone, Diamond 2-5208).

New broadcasters' advisory committee on U. S. savings bond is headed by pres. & gen. mgr. Thomas Chauncey of KOOL-TV & KOOL, Phoenix, who also is managing director of KOLD-TV & KOLD, Tucson.

ADVERTISING AGENCIES: Thomas C. Butcher, ex-Lennen & Newell, joins Carl S. Brown Co. as pres., agency changing name to Brown & Butcher Inc., Carl S. Brown becoming chairman . . . J. H. S. Ellis resigns as Kudner pres., sells all his stock, succeeded by C. M. Rohrabugh; Charles R. Hook Jr. promoted to treas., J. W. Millard to secy. . . . Robert Mathe, ex-McCann-Erickson, named TV-radio exec. producer of Doherty, Clifford, Steers & Shenfield . . . Arthur Decker, ex-Buchen, Chicago, joins Donahue & Coe there as a senior v.p. & gen. mgr.; agency also named Paul Kelly & Wm. Lavicka as v.p.'s . . . Gene Novak promoted to TV-radio copy supervisor of Baldwin, Bowers & Strachan div. of Rumrill Co. . . . Marvin Richfield, ex-Warwick & Legler, named media director of Product Services Inc. . . . Robert R. Riemenschneider appointed media director of Gardner Adv., St. Louis . . . Edward H. Armsby, ex-ABN mgr. of radio sales development, joins Ketchum, MacLeod & Grove, N. Y., assigned to Westinghouse Bestg. Co. account . . . J. Howard Allison & Co., Atlanta, which has home appliance & furnishings accounts, becomes Adams-Allison div. of Burke Dowling Adams Inc. there . . . Robert E. Britton, ex-General Mills, joins MacManus, John & Adams as marketing & research v.p. . . . Franklin Bruck, recently chairman of Parkson Adv. Agency, formerly pres. of agency bearing his name, named v.p. in charge of new business acquisitions for Pharmaceuticals Inc. (Geritol, Somninx, Kreml, Skol, etc.).

Joseph Hershey McGillvra's rep operations have been taken over by E. J. Devney, who has managed them over last year. First TV to sign under new Devney Inc. banner is upcoming WPBZ-TV, Lock Haven, Pa. (Ch. 32), due in Feb. McGillvra is reported devoting his time to his radio WCHI, Chillicothe, O. & WBIW, Bedford, Ind.

Obituary

Dr. Wm. Bush Baer, 55, senior dean of NYU who started *Our Goodly Heritage* Sun. series on Biblical literature in 1952 on WCBS-TV, N. Y., had appeared on educational program regularly since, died Jan. 21 in Bronx home. He was one of first academic members of AFTRA, helped launch highly-successful *Sunrise Semester* on WCBS-TV last fall.

Robert C. Schaub, 53, director of Lindsay-Schaub Newspapers Inc., publisher of 5 downstate Ill. newspapers and owner of 20% of WCIA, Champaign, through its radio WSOY, Decatur, also owner of radio WVLN, Olney, Ill. died Jan. 17 in St. Louis. He was v.p. & gen. mgr. of *Decatur Herald* and *Review*. Surviving are widow, daughter, son, brother.

Louis Ruppel, 54, dynamic former Hearst news star, for a time CBS news director, later managing editor of *Chicago Times* and 1949-52 editor of *Chicago Herald-American*, died of a stroke Jan. 24 in N. Y. He was lately an associate editor of *American Weekly*.

Harold Davis, 52, CBS Radio spot sales executive, died Jan. 16 in N. Y. He joined CBS in 1932, was program director and asst. commercial mgr. before joining spot sales in 1949. Surviving are mother, sister.

G. L. Mims, 68, v.p.-treas. of *Houston Chronicle*, who had hand in getting it into TV via its 70%-owned radio KTRH, which in turn owns 32% of KTRH-TV, died in Houston Jan. 21.

Edwin L. Fletcher, 38, research director, Keyes, Madden & Jones, Chicago agency, died suddenly of cerebral attack Jan. 21. Surviving are widow, 2 children.

New and Upcoming Stations: TV station total rose to 526 (90 of them uhf, 30 educational) with last week's start of KRSD-TV, Rapid City, S. D. (Ch. 7) as NBC-TV outlet in area served until now by KOTA-TV (Ch. 3). Due on air within next 2 weeks are 4 more stations—in Orlando, Fla.; Lock Haven, Pa.; Seattle; Kennewick, Wash.

Canadian total is now 50, with recent start of CKRN-TV, Rouyn, Que. (Ch. 4) as CBC French Network outlet and with CKBI-TV, Prince Albert, Sask. (Ch. 5) due to start Jan. 27.

KRSD-TV has a 5-kw DuMont transmitter and 6-bay RCA antenna on 370-ft. Ideco tower in new Skyline Dr. plant housing both TV and radio KRSD. Co-equal owners are ex-coal mine operator John Daniels and sons Eli and Harry—Eli being gen. & sales mgr. as well as chief engineer. They also operate radio KDSJ, Deadwood, S. D., hold CP for satellite KDSJ-TV (Ch. 5). Base hour is \$147.75.

CKRN-TV has 35-kw Canadian GE transmitter and 4-bay antenna on 760-ft. Wind Turbine tower. Control is held by J. J. Gourd, chairman, and David A. Gourd, pres.-gen. mgr., who also operate Quebec radios CKRN, CKVD, Val d'Or; CHAD, Amos; CKLS, La Sarre. George A. Chartrand, from CKRN, is station & program mgr.; Jean-Guy Langevin, CKRN, technical director. Base hour is \$160. Reps are Weed and Joseph Hardy.

CKBI-TV has 10-kw Standard Electronics transmitter and Alford antenna on 600-ft. Wind Turbine tower. E. A. Rawlinson is pres.-gen. mgr.; G. O. (Jerry) Johnson, sales mgr.; Jack J. Cannon, CKBI, program mgr. Base hour is \$175. Reps are Weed and All-Canada.

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

WLOF-TV, Orlando, Fla. (Ch. 9) plans Feb. 1 start with ABC-TV, using 20-kw GE transmitter and 550-ft. Stainless tower with 5-section Alford antenna near Orlovista, Fla. It's city's second vhf, WDBO-TV (Ch. 6) having started in June 1954. Principals are Joseph L. Brechner and John W. Kluge. Donn R. Colee, v.p. & 5% owner, is gen. mgr. Base hour will be \$400. Rep will be Young Television.

WBPZ-TV, Lock Haven, Pa. (Ch. 32) has changed to Feb. 2 target for start with ABC-TV, reports gen. mgr. Harris Lipez. It has 1-kw RCA transmitter, 24-gain antenna on 100-ft. Stainless tower on Sugar Lusk Mt., will pick programs off air from WILK-TV, Wilkes-Barre (Ch. 34), 80 mi. away. Base hour will be \$100. Rep is Devney.

KIRO-TV, Seattle, Wash. (Ch. 7) has 50-kw GE transmitter wired, plans Feb. 8 start with CBS-TV, writes v.p. Lincoln W. Miller. It will be 5th commercial outlet in Seattle-Tacoma area. Principals include Saul Haas, Sen. Magnuson and U. N. Banks. Truscon 500-ft. tower is nearly ready and 2-bay helical antenna is to be installed in about week. Base hour will be \$1100. Rep will be Peters, Griffin, Woodward Inc.

KTRX, Kennewick, Wash. (Ch. 31) has RCA transmitter and 2-bay GE helical antenna, plans Jan. 28 programming as independent, reports pres.-gen. mgr. Stuart Nathanson, ex-freelance TV producer. It will be second area outlet, KEPR-TV, Pasco (Ch. 19), across river, having started in Dec. 1954 as satellite of KIMA-TV, Yakima (Ch. 29). It has 185-ft. Fisher tower at site near Black Angus Motel. Clyde Olsen, ex-KORD, Pasco, will be sales mgr. Base hour will be \$240. Rep will be Forjoe.

NAB Conventions Revamped: NAB board, meeting this week at Phoenix, unanimously approved concept of "down-to-business" conventions and conferences, effective with 1958 fall conferences and 1959 convention. Among principal changes: Registration for conventions will be open to ownership, management & officers of active NAB members; fall conferences will drop "regional" nature, will be scheduled in larger cities readily accessible to most broadcasters. In other actions, board: (1) Selected Washington as site for 1961 convention. (2) Approved special nationwide promotion—"Learn and Live"—to awaken public to necessity "for placing greater emphasis upon attainments of intellect and skill." (3) Approved plans for extensive membership campaign Feb. 15-April 25. (4) Heard freedom of information committee chairman Robert D. Swezey, WDSU-TV, New Orleans, report that American Bar Assn. had granted NAB's request to present broadcasters' views before special ABA meeting in Atlanta Feb. 24 to consider modification of Canon 35. Swezey will represent NAB.

Assn. of Maximum Service Telecasters, representing 119 stations operating at maximum power, makes this forecast of 1958 activities in annual report issued this week: "MST will continue its efforts to obtain the removal of excise tax on all-channel receivers as one move in the direction of encouraging the development of uhf. MST will monitor and report the various inquiries of the House & Senate Interstate & Foreign Commerce Committees on matters pertinent to the interests of its membership. There is no doubt that there will be continual efforts to break down mileage separations; that the demands of other services for more spectrum space will exert pressures on the present system of TV broadcasting; that there will be organized and accelerated moves to create a system of drop-ins at degraded mileage separations." Note: In our story last week on comments in vhf booster proceeding, we erroneously stated that "AMST" urged FCC to reject the booster proposal (Vol. 14:3, p. 8). We used the wrong initials—they should have been NCTA (National Community TV Assn.); elsewhere in story we correctly indicated that AMST took no specific stand for or against boosters but urged tight safeguards against interference.

Formal transfer of KREM-TV, Spokane (Ch. 2) from Louis Wasmer to group headed by Mrs. A. Scott Bullitt (Vol. 13:47, 51) took place Jan. 20. Other Bullitt stations, now known as Crown group, are KING-TV, Seattle (Ch. 5) & KGW-TV, Portland, Ore. (Ch. 8). Otto P. Brandt, v.p.-gen. mgr. of Crown group, was in N. Y. this week with Mel Anderson, promotion mgr., to join with Blair-TV in staging sales presentation and conducting "treasure hunt" for 420 invited agency personnel, will repeat stunts in Chicago next week.

John R. Winnie, associate professor at U of Iowa TV Center, named secy. of committee of Venezuelan educators studying possibilities of TV-radio in that country, underwritten with \$30,000 grant by Broadcasting Foundation of America, 342 Madison Ave., N. Y. He is taking leave of absence for the assignment. From Marconi's of England this week came report that it's supplying station for Radio Valencia's new TV adjunct, having in 1953 built TV Venezuela S.A. at Caracas.

Once-a-year return to air of M. R. Lankford's WRAY-TV, Princeton, Ind. (Ch. 52), which went dark July 15, 1954 (Vol. 10:28), has been authorized by FCC for Jan. 30 - Feb. 2 March of Dimes telethon.

Do You Know That . . .

THEY MAY JOSH about "lawyers practicing engineering"—and vice versa—but actually quite a few in communications fields are qualified to do so. Our researches reveal nearly a dozen FCC engineers and/or lawyers have degrees or are registered to practice in either profession, and as many more in private practice. There are probably other "lawgineers" we haven't heard about yet.

Edward W. Allen Jr., FCC chief engineer, was graduated in electrical engineering from U of Virginia in '25 and in law from George Washington U '33. FCC examiner Millard F. French was an LL.B. from U of West Va. '33 before qualifying as an aeronautical engineer at Wright Field during war. In Broadcast Bureau, attorney Eugene T. Mallyck (GWU '45) also holds e.e. degree from Drexel Institute '41, and attorney John P. McCullin (DePaul '32) studied at Ill. Institute of Technology and U of Illinois before first joining the Commission as a monitoring officer.

Comr. Craven's technical asst., William H. Watkins, is GWU law graduate '50, U of Md. e.e. '40, and Comr. Mack's aide, John E. Doane, was a GWU e.e. '46, GWU law '49.

George W. Turner, veteran chief of field engineering, a 35-year govt. careerist, took Navy radio courses at Kansas City College and Harvard in '18, was graduated from Atlanta Law School '37. His legal adviser, John H. McAllister, was U of Minn. law '38 who qualified as FCC engineer after studying at U of Minn., Columbia, Fordham, New York U.

Atlanta Law School is also alma mater ('49) of Gerald Howard, FCC engineer-in-charge at Dallas, who studied at Rice Institute to qualify for engineering civil service, and of Paul U. Herndon Jr., chief of inspection & examination div. ('36) who got his engineering degree at GWU in '29. George McLeod, engineer-in-charge of Livermore (Cal.) FCC monitor, was '36 engineering graduate of U of Cal.,

attended San Francisco Law School in '53 and passed bar.

Did you know, too, that popular Joe McDonald, NBC asst. gen. attorney, was graduate of Webb Institute of Marine Architecture '24 before taking his LL.B. at Fordham in '28, LL.M. at New York U in '29? Or that John H. Mullaney, the Washington consulting engineer, attended law school at No. Dakota U and Texas Christian 3 years before earning e.e. degree at U of Colorado '45?

Specializing in TV-radio-communications law practice in Washington are Robert M. Booth Jr., veteran of WLW's 500-kw experiments, graduate in e.e. at Purdue '33, Chase College of Law, Cincinnati '41; James A. McKenna Jr., chemical engineering graduate of Catholic U '38, Georgetown law '42; Maurice M. Jansky, U of Wis. e.e. '35, law '37; Daryl A. Myse, U of Wis. chemical engineering '33, law '37; Wm. A. Roberts, Tufts civil engineering '18, Georgetown law '25.

Big Dow, Lohnes & Albertson firm has Thomas W. Wilson, U of Md. civil engineering '34, Georgetown law '38; Paul A. O'Bryan, who studied power engineering first at Drexel 2 years, then was graduated from Wharton School '31, from National Law School '42; Robert L. Irwin, who studied architectural engineering at Catholic U before deciding on law (Columbus U '29); and Fred W. Albertson, U of Mich. law '34, also a registered engineer by reason of undergraduate specialization in the sciences, now prominent in IRE and once famed on campus of his alma mater as "ham" contact with its archaeological expeditions around the world.

Also up from "ham" ranks is George O. Sutton, who studied engineering at Okla. U during World War I, got law degree from U of Tenn. '19. Practicing with ex-FCC chairman Paul Porter is George Bunn, U of Wis. e.e. '46, Columbia law '50. And with Paul M. Segal, who was a noted "ham" of early days and is still counsel for ARRL, is Robert R. Marmet, communications specialist from Annapolis '46, graduate of Georgetown law '51.

No Delay in Barrow Airing: FCC has evidenced a surprisingly dogged determination not to delay scheduled March 3 start of hearings on Barrow network study report (Vol. 14:2) in an action which some Washington attorneys saw as almost unprecedented in Commission history.

FCC's action was in response to request by 2 groups of CBS affiliates which plan to present joint testimony and which had petitioned for extension of Jan. 31 deadline for filing of witness list and summary of testimony to be presented.

What Commission did was to grant "in these 2 instances the requested extensions of the date of filing"—but granted no blanket extension for others. In this case, it gave "Special Committee of CBS-TV Affiliates" until Feb. 15, and another group of 8 independent affiliates represented by CBS-TV Spot Sales until Feb. 8.

Former group had also requested that its witnesses not be heard until at least 45 days after schedule for their appearance had been worked out with FCC staff. Commission deferred decision on this request, noting that it expects networks to be "first group to testify in the hearings commencing March 3" and reserved decision until networks have completed their case.

NBC-TV affiliates, too, were preparing to make joint presentation, but apparently were unable to get together this week. Working against Jan. 31 deadline, leaders of

group were hoping to file with FCC—presumably a request for an individual extension—early next week.

It's believed networks will make big push for delay in start of hearings—since virtually all top network brass will be required for their refutation of 1400-p. Barrow Report, and March 3 date is in midst of frenzied activity of network planning and selling for 1958-59 fall-winter program season. In words of one network spokesman, "Who's going to tend the store?"

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In other actions this week, Commission: (1) Issued staff instructions to deny request by WATR-TV, Waterbury, Conn. (Ch. 53) to substitute Ch. 53 for educational Ch. 24 in Hartford, shifting Ch. 24 to Waterbury. (2) Denied application by CP-holder WSLA, Selma, Ala. (Ch. 8) to move transmitter site to location 50 mi. from Selma and 23 mi. from Montgomery. (4) Added to Columbus, Ga. allocations rule-making a proposal by WTVM (Ch. 28) to substitute Ch. 3 & 9 for 4 & 28 in Columbus, 4 for 9 in Dothan, Ala. (5) Granted permission of WRLP, Greenfield, Mass. (Ch. 32) to identify itself also as Keene, N. H. & Brattleboro, Vt. outlet, and to KNOE-TV, Monroe, La. (Ch. 8) as Monroe-W. Monroe; Comrs. Lee & Ford dissented. (6) Received petition from WVET-TV, Rochester (Ch. 10) to add Ch. 9 & 13 to Elmira.

Commission granted one translator CP—Ch. 70 in Olean, N. Y., to repeat Buffalo's WBUF-TV. [For details on FCC actions, see *TV Addenda 25-Z* herewith.]

STEREO PHONOS ALREADY ON THE BOARDS: At least one major TV-radio manufacturer, who asked to remain nameless, will have a stereo disc phonograph ready to show his distributors before the big NAIMM Music Show in Chicago next July. At minimum, the unit will have a stereo cartridge in its changer and will be jacked for addition of extra amplifier and extra speaker. At maximum, it will contain dual-channel amplifier and provision for jacking-in stereo tape deck.

Five months is short time to bring out finished unit -- but enough time to do design & assembly of hand-mades. We believe there will be several more makers demonstrating "answers to stereo hi-fi" -- at least to distributors -- by summer.

Readiness roles of varying degrees (Vol. 14:2) were being assumed by all the manufacturers of finished hi-fi -- even before Recording Industry Assn. of America engineering committee met this week in N.Y. to discuss setting standard for cutting stereo discs and performance standards for stereo cartridges to play them.

"Assume" was the key word in whole stereo picture. Even those conservative manufacturers who had not yet announced their cartridge and who would not talk price or delivery -- yet were criticizing Electro-Voice's cartridge announcement -- were assuming Westrex system of cutting stereo record would be the standard. According to Electro-Voice v.p. Lawrence Le Kashman: "Of course the Westrex system would be the one. It is the only one offering compatibility with present monaural records."

Assuming that decision -- and expressing "no desire to start any big drive until the record companies had built up their stereo disc libraries" -- Le Kashman went ahead and announced last week a ceramic stereo cartridge which he said would sell to original equipment makers for \$2.50-\$3.50 and to audiophiles at retail for \$19.50. He added that it was a flip-over type cartridge -- with standard 3-mil, 78rpm stylus as well as new 0.7-mil stereo stylus -- "will fit any existing tone arm ...will track in any monaural record and will make it sound better" than it sounds with standard 1-mil, 33rpm stylus.

* * * *

But where were the cartridges? By mid-week, 2 of industry's biggest accounts wondered. James M. Toney, v.p. & gen. mgr. of RCA Victrola div., told us: "We have not had firm price quotes or firm delivery dates, nor have we a single useable cartridge in our labs from our suppliers." And Victor Miller, pres. of V-M Corp., major record-changer supplier, told us: "I haven't seen a single cartridge off tools yet that would measure up to our performance standards." Nor had he heard firm prices.

Attitude of other cartridge makers -- several more have announced cartridges but without details -- is expressed by Len Werner, sales mgr. of Astatic: "We will have cartridges for our customers when they need them." Consensus is that cartridges will be flowing from several sources by mid-Feb.

Prices are still not discussed. There will be a low-end ceramic cartridge range competing with Electro-Voice -- and a high-end reluctance cartridge of the Pickering & Fairchild type, and Brush will have a high-end ceramic.

When would stereo-cartridge-equipped changers be available? Victor Miller would not say until he'd had RIAA standards, cartridges-off-tools from suppliers, and time to design & test changer which could be delivered with assurance of "our" quality. Miller insists the whole stereo disc situation is still premature.

* * * *

Until record companies start to mass-produce stereo records, industry feels there's no real telling what role stereo disc will eventually play -- despite some claims that it will revolutionize the phono industry and presents a "serious threat"

or a "sweeping opportunity" to obsolete existing records & equipment. Record people are taking it very cautiously, remembering the 3-speed revolution of the late '40s. In addition to Audio Fidelity, which started it all, only Columbia and Westrex have produced demonstration stereo discs as yet.

Total obsolescence need not be a real factor, many sources believe. "Compatibility" is just as hot a topic as cartridges. Most engineers we talked with feel there is a huge middle road between monaural of today and stereo of tomorrow.

Most agree that although standard monaural needles of today play stereo discs poorly, the man who wants to take the other "compatible" route -- to use the stereo needle system with his present monaural library of LPs -- is in for a break. Consensus is that conventional monaural discs sound better than ever on stereo system or on conventional monaural phono with only stereo needle added. So customer can move slowly by himself -- or be led by industry -- through smooth transition to stereo.

Prevailing belief -- as fingers come off panic buttons: Should stereo really happen this fall -- via records as well as playing equipment -- neither customer nor industry need fear the confusion of total obsolescence.

But in case you should doubt just how hot stereo is in TV-radio-hi-fi manufacturing circles, note the program laid out for March IRE convention in N.Y. (see p. 13). TV, which in other years has dominated the IRE discussions gets last-day, afternoon session of but 5 papers. Stereo gets 6 papers and choice 2nd day morning spot. Color TV? One paper out of some 250.

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TV-Radio Production: TV set production was 108,806 in week ended Jan. 17 vs. 114,392 preceding week & 118,471 year ago. Two-week total for 1958 is 223,198 vs. 194,390 last year. Radio production for week was 239,133 (99,578 auto) vs. preceding week's total of 216,924 (86,570 auto) & 268,052 (136,836 auto) last year; total for 2 weeks was 456,057 (186,148 auto) vs. 462,820 (239,397 auto).

Tape Data From EIA-MRIA: Industry statistics on zooming tape recording fields will soon be forthcoming if joint plans of Electronic Industries Assn. and Magnetic Recording Industry Assn. materialize. It's proposed their members report figures to EIA market data dept., which would treat them confidentially, release them on consolidated basis as it does TV-radio, tube & transistor production & sales figures.

Interest in such figures is running high because coming of stereo (p. 10) has some TV-radio-hi-fi makers wondering whether they must ultimately get into tape recorder business for rounded representation in home entertainment field as whole. Some TV-radio makers have tape decks in more expensive hi-fi consoles, but only 4 actually have portable tape recorders in their lines: RCA, Philco, Sylvania, Olympic (Vol. 14:1). More will go into field this year, if predictions of Pentron pres. Irving Rossman, who is also pres. of MRIA, are borne out.

Rossman recently painted boom picture for recorders and tape in 1958, saying "every producer of home entertainment equipment is either manufacturing or planning to manufacture a tape recorder" and that "every major record label has entered or plans to enter the recorded tape business by the end of 1958." He summed up as reason: "stereo sound."

Within about 2 years, stereo has revolutionized the tape & tape recorder businesses. In 1957, of 500,000 recorder units produced by industry, according to MRIA, 60% were equipped with stereo playback heads vs. 40% of 400,000 in 1956. Rossman predicted that 80% of 1958 industry production (estimated at 600,000 units worth \$120,000,000 retail) will be stereo player units.

Recorded tape sales are expected to boom in 1958—to

MRIA-estimated 8,000,000 units, up from 3,000,000 in 1957 and 1,500,000 in 1956. Rossman expects that 90% of recorded tapes in 1958 will be stereo.

Total tape sales, however, are not disturbing phonograph record makers. They feel tapes are still too expensive (twice price of LP records) and that the whole tape business at retail (estimated at from \$5,000,000 to \$30,000,000) is still small vs. \$400,000,000 sales of records.

Rarely exposed operating statements of dozen unnamed dealers doing from \$36,000 to more than \$1,000,000 annual volume are compiled by Jan. 13 *NARDA News*. Selection by NARDA accounting consultant Thornton Snead serves to give factory dealer contact men sharp insight into how various retail costs of doing business chew up gross margins. Comparisons among the dozen suggest areas in which dealers can cut expenses.

Sears Roebuck has bought 50% of capital stock of Warwick Mfg. Co., Chicago, major supplier of its private-brand (Silvertone) TVs, radios, hi-fis, tape recorders. Stock was sold by management group—John S. Holmes, pres.; Gordon G. Brittan, v.p.; Fred Holmes, secy. They also relinquish posts as officers & directors, continue as consultants. Sears also is major stockholder in Pacific Mercury TV, which manufactures for its Silvertone brand.

Reports of appliance industry probe are premature, says staff spokesman for Senate Small Business Committee. Plans for similar hearings last year never got off ground (Vol. 13:5) and agenda for this year will not be determined until committee meets—probably within week. Full committee is headed by Sen. Sparkman (D-Ala.), retail distribution subcommittee by Sen. Humphrey (D-Minn.).

Trade Personals: C. C. Gramer promoted to mgr. of distribution development & planning for Hotpoint's new sales & distribution dept. (Vol. 13:49); G. W. Westfall to mgr. of sales & market research; J. G. McCay to mgr. of central order service; C. N. Krewson to mgr. of distribution structure, plans & control; J. Coppinger to mgr. of distribution management training . . . Harold A. DeMooy appointed mgr., receiving tube operations, RCA electron tube div., succeeding late Harry F. Randolph; Joseph T. Cimorelli takes DeMooy's former post as mgr. of manufacturing, receiving tube group; Kenneth Bucklin succeeds Cimorelli as mgr. of receiving tube engineering; George J. Janoff moves up to mgr. of market planning-receiving tubes . . . Michael L. Kaplan, pres. for 10 years until 1957 of Sightmaster Corp., components maker, has organized Stretch Wire Corp., P.O. Box 893, New Rochelle, N. Y., to supply extensible cables under own patents . . . Leo J. Weithman, ex-Apex, Cleveland, appointed to new post of Philco far west credit mgr., San Francisco . . . Milton Rosenstein, ex-Olympic and Blonder-Tongue, named chief engineer of Delmonico International Corp., Long Island City, N. Y. . . . Donald M. Christie promoted to mgr. of DuMont equipment mfg. div. . . . Russell Lee Shuman Jr. named director of corporate accounting, Westinghouse . . . Charles T. Shropshire, pres. GE Supply Co., Washington, reelected pres. of D. C. Electric Institute; other officers are Alan R. Dresner, Douglas Distributing, v.p.; James H. Crawford, General Electronics, secy.; John F. Hanlon, Westinghouse, treas. . . . Irving B. Jerome, ex-Capitol Records, named exec. v.p. of MGM Records, in charge of world sales & promotion . . . Robert S. Windt, ex-CBS-Columbia, DuMont and David O. Alber Assoc., is now v.p. and head of TV-radio div. of Bernard Relin & Assoc., public relations, 654 Madison Ave., N. Y.

Sylvania names 8 senior v.p.'s in policy of managerial decentralization being followed by Don G. Mitchell, chairman-pres., who announced Jan. 20 that firm's 1957 sales were about \$350,000,000 and "budget for 1958 is based on an upturn in the second half." Two of the 8 are also divisional presidents, namely Matthew D. Burns, electronic tubes; Frank J. Healy, lighting products. Others: Dr. Bennett S. Ellefson, engineering & research; W. Benton Harrison, finance; Robert E. Lewis, Argus Cameras & semiconductors; Marion E. Pettegrew, home electronics, chemical & metallurgical products & parts; Howard L. Richardson, electronic systems & special tubes; Barton K. Wickstrum, marketing & international.

Westinghouse's new president, Mark Winfield Cresap Jr. (last name rhymes with dress-up), is subject of personality sketch by Alfred R. Zipser in financial section of Jan. 19 *N. Y. Times*.

OFFICERS-&DIRECTORS stock transactions as reported to SEC for Dec.: Allied Artists—G. Ralph Branton bought 800, holds 49,425 personally, 2200 for wife; W. Ray Johnson bought 300, holds 301; Sam Wolf bought 1500, holds 15,950. Audio Devices—Joseph K. McCammon sold 300, holds 24,963. Avco—Edwin H. Litchfield bought 1000, holds 1400. C&C TV—Walter S. Mack sold 14,271, holds 190,300. Decca Records—Milton R. Rackmil bought 200 as voting trustee, holds 10,200 as voting trustee, 75,200 as co-trustee, 1713 personally. Emerson Radio—Benjamin Abrams bought 18,921 and 1200 more for trusts & foundations, holds 252,366 personally, 29,239 in trusts, 65,001 in foundations; Max Abrams bought 8600 and 1200 more for trusts & foundations, holds 97,209 personally, 12,755 in trusts, 65,001 in foundations; Ferdinand Eberstadt sold 1011, holds 100; Harold Goldberg bought & sold 500, holds 1000; Morris C. Troper bought 222, holds 222. General Dynamics—Lisle W. Adkins sold 1000, holds 1000; Allen D. Marshall sold 2400, holds 5000; Carleton Shugg sold 200, holds 9325. GE—James H. Goss bought 1920, holds 2544; Willard H. Sahloff exercised

DISTRIBUTOR NOTES: Sylvania appoints H. E. Sorenson Co., Des Moines . . . Emerson Radio of Pa., new Philadelphia factory branch, names Lawrence H. Carr v.p. & treas. . . . Hoffman appoints Sabine Supply Corp., Dallas, for NE Texas, and Kelvinator div., American Motors, New Orleans, for most of La. & Ala., So. Miss., western Fla. . . . Westinghouse Appliance Sales, Los Angeles, names Wm. P. Frost district sales mgr. of TV, hi-fi, room air conditioners & vacuum cleaners; he was previously regional mgr. of Westinghouse TV-radio div. . . . RCA appoints Clef Inc., Milwaukee, for industrial closed-circuit TV equipment . . . American Geloso, N. Y., (Geloso tape recorder) names Myron Rosenthal, Charles Bernstein as regional salesmen; both are veteran N. Y. market reps . . . American Geloso appoints for its miniature Italian tape recorder: Warren Radio, Toledo; Radio Equipment Corp., Buffalo; Harrisburg Radio Lab Supply, Harrisburg; Pioneer Electronics, Ketchikan, Alaska . . . Trav-Ler names Paul Irwin to new post of northern Cal. & Nev. factory rep. in addition to duties as East Bay (San Francisco) district mgr. . . . Whitely Electronics (Murasound) names Landes-Ham, San Francisco, for San Francisco, northwest area, Ariz., Nev.

Magnavox, continuing decentralization of management program, names George Leinenweber to new post of v.p.-gen. mgr. of Magnavox Co. of Tenn., Greeneville, and Jefferson City Cabinet Co., Jefferson City, Tenn.; W. H. Graham, ex-v.p. of both corporations & gen. mgr. of Greeneville plant, promoted to exec.-v.p. At Ft. Wayne headquarters, Leonard F. Cramer continues as v.p., his post of operations gen. mgr. being eliminated as he is assigned to other corporate sales functions to be detailed later. James Robinson, controller, is assigned some of Cramer's former duties; Ricardo Muniz promoted to mgr. of consumer products engineering, replacing John Rankin, resigned.

Institute of High Fidelity Manufacturers Inc. elects: Joseph N. Benjamin, Pilot Radio, pres., succeeding George Silber, Rek-O-Kut. Other officers: Saul Marantz, Marantz Co., v.p.; Leonard Carduner, British Industries Corp., secy.; Milton Thalberg, Audiogersh Corp., treas. Directors are ex-pres. George Silber and Avery Fisher, Fisher Radio; Bernard Cirlin, Stephens Tru-sonic Inc.; Sidney Harman, Harman-Kardon.

Add hi-fi shows: Hotel Cosmopolitan, Denver, Feb. 7-9; Hotel Whitcomb, San Francisco, Feb. 14-16.

Obituary

John S. Muller, 43, since last July coordinator of Pyroceram at Corning Glass Works, well known among users of Corning's TV bulbs, died in Corning Jan. 12 after lengthy illness. Survivors are his wife, 3 sons, 3 daughters.

option to buy 1545, holds 4625. Loew's—Samuel J. Briskin bought 500, holds 500; Francis W. Hatch bought 100, holds 100. P. R. Mallory—J. Taylor Foster bought 1000, holds 2300; P. R. Mallory bought 500, holds 92,403. Minn. Mining & Mfg.—Wm. L. McKnight sold 2850, holds 952,625; Louis F. Weyand bought 100, holds 71,285. National Theatres—Peter Colefax bought 500, holds 2500; Alan May bought 200, holds 1000. Philco—David B. Smith bought 400, holds 3245; Wm. R. Wilson sold 200, holds 15,030. RCA—Elmer W. Engstrom bought 100, holds 1428. Siegler—Merrill L. Bengston bought 500, holds 16,820; Norman E. Grandt bought 500, holds 5500 personally, 100 as trustee; Wm. J. Keegan bought 400, holds 800. Skiatron Electronics & TV—Arthur Levey sold 40,900 privately, holds 366,531. Trav-Ler Radio—Joe Friedman bought 4400, holds 213,033. Tung-Sol—George W. Keown bought 150, holds 1332. Twentieth Century-Fox—J. H. Moskowitz bought 200, holds 600. Walt Disney Productions—Roy O. Disney bought 100, holds 101,577. Westinghouse—John F. Myers sold 600, holds 419. Zenith—Sam Kaplan bought 100, holds 110.

Huge RCA Contract: Those rumors last week about an Air Force contract award to RCA involving hundreds of millions of dollars (Vol. 14:3) were given substance this week when testimony of Air Force officials before House Appropriations subcommittee was made public. It was revealed RCA has been "selected" (though contract apparently has not yet officially been let) to be over-all contractor for design and construction of radar system to detect enemy ballistic missiles.

Air Force research & development chief Gen. D. L. Putt said ultimate cost of system will be \$721,000,000, but he did not clarify what portion of this would be under management of RCA as "over-all systems contractor." He said most of RCA's work would be done at Moorestown, N. J. and that prototypes of the super-long-range radars already are in operation.

Gen. Putt added that "GE will also play a major part, as well as Western Electric." It's understood that other major subcontractors will include Sylvania, Page Communications & RCA Service Co.

Note: Hoffman Electronics reported this week it has been awarded \$11,000,000 contract for electronic reconnaissance system, designated AN/ALD-3, code name "Tall Tom." Raytheon reported orders for 40 new radars from Military Sea Transportation System.

ELECTRONIC PERSONALS: G. D. Robertson promoted to mgr., advanced development engineering dept., Magnavox govt. & industrial div. . . . Walter G. Hawkins named to new post of guided missiles advisory engineer in Magnavox govt. & industrial products div. . . . Les A. Thayer promoted to gen. sales mgr., Belden Mfg. Co.; Gene Butler to mgr. of marketing services; Hoyne Howe district mgr. for Chicago, E. V. Blake for Philadelphia . . . James A. Nottingham named v.p. of Reeves Instrument Corp., subsidiary of Dynamics Corp. of America . . . Karl E. Heller appointed sales mgr. of Beckman Helipot div. . . . Dr. Carl L. Kober named v.p. & technical director of Avco Crosley div. . . . Dr. Theodore K. Steele, director of research & engineering, named v.p., Bulova Research & Development Labs Inc. . . . Louis De Lalio, ex-Norden Ketay, named chief research & development engineer of Filtors Inc., Port Washington, N. Y., headed by radio pioneer Alfred H. Crebe and maker of micro and subminiature relays.

Avco's amazing comeback: Avco earned \$12,832,794 (\$1.38 per share)—including special credit of \$2,363,193 from prior tax litigation—on sales of \$314,882,677 in fiscal year ended Nov. 30 vs. net loss of \$16,387,847 on sales of \$320,556,385 in 1956. Avco said bank borrowings had been reduced 50% during year—from \$20,896,000 to \$10,000,000; that backlog of defense orders was down to \$205,000,000 from \$340,000,000 at end of 1956; that backlog was in growth areas including Air Force Titan ICBM, space technology, gas turbine engines & electronics. Separate breakdown for extensive Crosley TV-radio broadcasting operations is not given.

Muter Co. pres. Leslie F. Muter reports 1957 volume was approximately \$14,200,000 vs. \$12,126,000 in 1956, up 18%; net profit is expected to be \$330,000 (45¢ per share) vs. \$31,645 (4¢) in 1956.

Dividends: Gross Telecasting, 40¢ plus 7½¢ on "B" common, both payable Feb. 10 to stockholders of record Jan. 24; Cornell-Dubilier, 20¢ March 24 to holders March 10; Capitol Records, 25¢ March 31 to holders March 17.

IRE—Audio & Space: First sputnik-age convention of IRE, March 24-27 at New York Coliseum and Waldorf-Astoria Hotel, is expected to attract record 55,000 engineers and scientists. While there are plenty of other attractions for the TV engineer, emphasis this year is due to be on space electronics, industrial electronics, and—in the consumer products field—audio electronics. Highlight features of meeting will be panel discussions on electronics in space and electronics system in industry. Also among the 55 technical sessions will be:

Stereo Disc Recordings—H. E. Roys, RCA, chairman. Papers: RIAA engineering committee activities, W. S. Bachman, Columbia Records; Westrex system, C. C. Davis & J. G. Frayne, Westrex; tracing distortion in stereo disc recording, M. S. Corrington & T. Murakami, RCA; compatibility problems in reproduction, B. B. Bauer & R. Snepvangers, CBS Labs; stereo phono pickups, W. S. Bachman, Columbia Records, & B. B. Bauer, CBS Labs; record changer & equipment requirements, W. Faulkner, V-M.

Audio Amplifier & Receiver Developments—M. S. Corrington, RCA, chairman. Distortion in phase inverter & driver systems, W. B. Bernard, Navy Bureau of Ships; advances in extra fine groove recording, Peter Goldmark, CBS Labs; transistorized record-playback amplifier for dictation machine, R. Fleming, Gray Mfg. Co.; single tuned transformers for transistor amplifiers, S. H. Colodny, Philco; transistorized auto receivers, R. A. Santilli, RCA; voltage sensitivity of local oscillators, Wen Yuan Pan, RCA.

Broadcast Transmission Systems—G. E. Hagerty, Westinghouse Broadcasting, chairman. Video modulation limiter, L. S. Sadler, WMTV, Madison, Wis.; color TV tape recording, J. L. Grever, RCA; automatic vertical interval test signal system, J. R. Popkin-Clurman & Frank Davidoff, Telechrome; remote control of directive antenna system, H. E. Rhea, Triangle Publications; feeding a single tower AM, FM & TV signals, A. C. Goodnow, Westinghouse.

Radio & TV—D. D. Israel, Emerson, chairman. Transformerless single-rectifier TV receivers, D. Sillman, Westinghouse; problems in 2-dimensional TV systems, R. M. Bowie, Sylvania; high-power horizontal-output tube deflection system for color, J. P. Wolf & R. G. Rauth, RCA; improvements in deflection amplifier design, C. Droppa, Sylvania; AGC design considerations for TV, R. H. Overdeer, Philco.

Muntz TV Inc., now in Chapter X reorganization, is "very much alive," chairman Floyd G. Dana assures stockholders in report showing \$120,000 operating profit in fiscal quarter ended Nov. 30, 1957 vs. unspecified loss during same period year earlier. Operations profit was shown despite fact sales volume was down 50%. Annual statement for year ended Aug. 31, 1957 shows loss of \$561,236 on sales of \$6,034,849 vs. \$17,944 profit on \$10,539,994 year earlier. Earned-surplus deficit as of last Aug. 31 was \$4,643,706. Inventories totaled \$232,600. In letter to stockholders, who meet Feb. 11 in Evanston, Dana notes requested resignation of founder Earl Muntz in Feb. 1957, followed by "radical & far-reaching changes" in operations. Company now has 600 dealers, most on c.o.d. basis; earmarks ½ of set production for private labels. It has introduced hi-fi line, produces subcontract components for electronics industry, is considering entering portable TV & low-cost radio fields.

New high frequency transistor by Clevite is said to triple range of conventional audio amplifier transistors from 5-7000 to 20,000 cycles.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 24, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Chng	High	Low	Stock and Div.	Close	Wk. Chng
14 7/8	6 1/4	Admiral.....	8	+ 1/4	37 3/4	25 3/4	IT&T 1.80.....	30 3/8	- 1/4
27	16 1/2	AmBoschl.05g...	21	- 1/8	50 3/4	33	I-T-E CirB1 1/4 d.	40	- 1/8
24 3/4	11 1/2	Am Bcstg-Para-1	15 1/4	+ 7/8	10 3/4	7 1/2	List Indust 1/4 e.	7 1/2	0
43 3/4	29 1/2	AmMach&F 1.60	35 3/4	+ 1 1/2	56 3/4	29 1/2	Litton Ind.....	41 1/8	- 1 1/2
179 3/8	160	AT&T 9.....	172 1/2	+ 1 3/4	22	11 1/4	Loew's.....	14	+ 1/4
33 1/2	19 1/2	Amphenol 1.20.	25	+ 1/2	44	28 1/2	Magnavox 1 1/2 b.	32 1/2	0
36 1/4	28	Arvin 2.....	29 1/2	0	50 1/4	23 1/2	Mallory 1.40b.	28	+ 1/4
7 3/4	4 1/4	Auco.10g.....	7	+ 1/4	131	73 1/2	Mpls. H'll 1.60a	78	+ 1
47 3/4	21	Beckm Inst 1 1/4 f	24 1/4	- 1/2	51 3/4	35 3/4	Motorola 1 1/2...	40	0
66 1/4	42	Bendix Av 2.40.	49 3/4	- 1 1/2	9 1/2	7	Nat'l Thea 1/2...	8 1/2	0
52 3/4	27 1/2	Burrourghs 1...	31 1/2	+ 1 1/2	36 1/2	28	Paramount 2.....	35 3/8	+ 1 1/2
25 1/2	15 1/4	Clevite 1.15g...	17 1/4	- 3/4	18 3/4	11	Philco 3/4 f.....	13 3/4	0
36 1/4	23 1/4	CBS "A" 1b.....	26 3/4	- 1/2	40	27	RCA 1a.....	34 1/4	+ 1/4
35 1/2	22 3/4	CBS "B" 1b.....	26 3/4	+ 1/4	23 1/4	16 3/4	Raytheon.....	22 1/2	- 3/8
54 3/4	25 1/4	Cons Elec.40a...	30 1/2	- 1 1/2	8 1/4	4 1/4	Republic Pic.....	6 3/4	+ 3/4
35 1/2	18	Cons Electron. 2 1/4	31 1/4	0	39 3/4	29 3/4	Sang Elec 1.80.	34	0
27 1/2	12 1/2	Cor-Dub 1.20...	15 1/4	- 1/2	18	12 3/4	Siegler .80.....	15 1/2	+ 1/4
106 1/4	57 1/4	Corning Glass 1a	79	+ 3 1/2	6 1/4	2 1/4	Spartan.....	3 1/4	+ 1/4
6 3/4	3 1/4	Dayvega.....	3 1/4	0	26 1/2	17 1/2	Sperry Rand .80	19 1/2	+ 3/8
47	27 1/2	Davstrom 1.20.	33 1/2	- 3/4	9 1/2	5 3/4	Standard Coil...	8	+ 3/8
19 1/2	13 1/2	Decca 1.....	15 3/4	+ 7/8	18 1/2	13 3/4	Stanley-War 1...	15 1/2	+ 3/8
15 3/4	13	Disney .40b...	15 1/4	- 1/4	41 3/4	27 1/4	Stew Warner 2b	31 3/8	+ 1 3/4
115	81 3/4	East Kod .90e...	101 1/2	+ 2 1/2	29 1/4	18 3/4	Storer Bcstg 1.80	23 3/8	- 1/2
34	22 1/2	Emer Elec 1.60.	32 1/2	+ 3/8	46 3/4	29 1/4	Sylvania 2.....	37	+ 2 1/2
6 3/4	3 3/4	Emerson Radio.	4 1/4	+ 1/4	31 1/2	15 1/2	Texas Instru. 1	28 3/4	+ 1/4
10 3/4	6 1/4	Gabriel .60....	7 1/2	+ 1/4	89 3/4	46	Thomp Prod 1.40	47 1/4	- 1 3/4
68 3/4	46 3/4	Gen Dynamics 2	61 3/4	- 2	37 1/2	21 3/4	Tung-Sol 1.40b.	24 3/4	+ 3/8
72 3/4	52 3/4	Gen Electric 2...	63 3/4	+ 1 1/4	30 3/4	19 3/4	20thC-Fox 1.60.	25 1/4	+ 1 1/4
8 1/4	4	Gen Inst. .15g...	5 3/4	0	25 1/2	15	United Art 1.40.	17 1/2	+ 1/2
47 1/4	30 1/4	GenPrEquip 2.40	40	- 1/4	30 3/4	18 1/4	Univ. Pict 1a...	20 1/2	0
30 3/4	22 1/4	General Tire .70	28 1/4	- 1/2	28 1/2	16 1/2	Warn Bros 1.20.	17 3/4	+ 1/4
25 1/2	17 1/4	Hoffman Elec 1.	23 1/2	- 1/8	68 3/4	52 3/4	Westingh El 2...	64 3/4	+ 3/4
376 1/2	270 1/2	IBM 2.40b.....	319	+ 11 3/4	140	91 1/4	Zenith 3a.....	128	+ 6 1/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/4	+ 1/8	44 1/2	29 3/4	Hazeltine 1.40b.	36 1/4	+ 1 1/4
52 1/2	19 3/4	Allied Con 1a...	40 1/4	- 2 3/4	3 1/2	2 1/2	Herold Ra .15d.	2 1/2	- 1/8
21 1/2	11	Amer Electro 1/2	15	- 1 1/2	6 1/2	3 3/4	Int Resist .20...	4 3/8	- 1/8
11 3/4	6 1/2	AssocArtProd.	8 1/2	+ 1 1/2	8 3/4	4	Lear.....	5 1/2	0
12 3/4	6 1/2	Audio Dev .05d.	8 1/2	+ 1 1/2	1 1/2	3/4	Muntz TV.....	1/2	0
13 3/4	6 1/2	Belock Inst 1/4 t.	8 1/2	- 1/4	3 3/4	2 1/4	Muter Co. 1/4 t.	3	0
1 1/4	3/4	C & C TV.....	1 1/4	0	9 1/2	5 1/2	Nat'l Telefilm...	7	+ 1/4
5	2 1/2	ClaroStat .15g...	3 1/4	+ 1 1/2	2 1/2	5 1/2	Nat Union El...	1 1/2	+ 1/4
6 1/4	3	DuMont Lab....	3 3/4	0	11 3/4	5 1/4	Norden-Ketay...	5 1/4	- 1/4
7 3/4	2 1/2	Dynam Am.....	4	- 1/4	5	3	Oxford El .10d...	3 1/2	+ 1/2
12 3/4	8	Electronic Com.	12 3/4	+ 7/8	20 1/2	10 1/4	Philips El.....	13 3/4	+ 2
12 3/4	5 1/2	Electronics Cp...	7 3/4	+ 1 1/2	12 3/4	6 1/2	Servomech .40.	8 3/4	+ 1 1/2
27 1/2	16	Fairch Cam 1/2 g.	25 1/4	+ 1 1/2	9	3 1/2	Skiatron.....	5 1/2	+ 1/4
30	8 3/4	General Trans...	23 1/4	+ 3 1/2	8 3/4	2 1/2	Technicolor.....	4 1/4	+ 3/4
28 1/2	17	Globe Un 1.20b.	17 3/4	+ 1 1/2	5 3/4	3 1/2	Trans-Lux .20g.	4 1/4	+ 1 1/2
4 1/4	2 1/2	Guild Films....	3	+ 1/8					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

Bid		Asked		Bid		Asked	
Advance Ind.....	2 1/4	2 1/2	Magna Theatre.....	2 3/4	2 3/4		
Aerovox.....	4	4 1/2	Maxson (W. L.) .05	6 1/2	7		
Airborne Inst.....	42	45	Meredith Pub 1.80a	29 1/2	31 1/2		
Altec Co .80.....	8	8 1/2	National Co. (4% stk)	10	11		
AMP Inc. 50.....	18	19 1/2	Oak Mfg. 1.40.....	15	16		
Ampex.....	53 1/2	56	Official Films .10	1 1/2	1 1/2		
Baird Atomic.....	11	12	ORRadio.....	16 1/2	17 1/2		
Cinerama Inc.....	1 1/2	1 1/2	Pacific Mercury TV	5 1/2	6		
Cinerama Prod.....	2	2 1/2	Packard-Bell .50.....	11 1/4	13		
Cohu Electronics	7 3/4	8 1/2	Panellit.....	5 1/4	5 3/4		
Collins "A" .35	12 1/4	13 1/4	Perkin-Elmer.....	21 3/4	23		
Collins "B" .35	12 1/4	13 1/4	Philips Lamp (14% of par)	30 3/4	32		
Coak Elec. .40d	20 1/2	22	Reeves Soundcraft (stock)	2 1/2	3		
Craig Systems.....	4 1/2	5 1/4	Sprague Electric 1.20	26 1/2	28		
DuMont Bcstg.....	8	8 3/4	Taylor Instrument 1.20	28 1/2	30 1/2		
Eitel-McCullough (5% stk)	32	34 1/2	Tele-Broadcasters.....	2 1/4	3 1/4		
Elec Assoc (stk)	38 1/2	40 1/2	Telechrome .30.....	5 1/2	6 1/2		
Erie Resistor .40b	8 1/4	8 3/4	Telecomputing.....	4	4 1/2		
Friden Ind. 1.00.....	41	44	Teleprompter (stock)	6	7		
Giannini, G. M.....	14 1/2	15 3/4	Time Inc. 3.75.....	61	64		
Gross Telecasting 1.60	15	16 1/2	Topp Industries (stock)	11 1/2	12		
Hewlett-Packard.....	22 1/2	24	Tracerlab.....	5 1/2	5 3/4		
High Voltage .10g	24 1/4	25 3/4	Trav-Ler.....	1	1 1/4		
Hycor.....	2	2 1/2	United Artists.....	4	4 3/4		
Indiana Steel Products 1.20a	18 1/2	19	Varian Associates.....	17	18 1/2		
Jerrold.....	1 1/2	2 1/4	Victoreen Inst.....	4	4 1/2		
Ling Indus.....	6 1/2	6 3/4	Webcor .25g.....	12 1/4	12 3/4		
Leeds & Northrup .60b	20 1/4	21 1/2	Wells-Gardner.....	7 3/4	7 3/4		
Machlett Labs .25g	11 1/2	13	WJR Goodwill Station 50d	12 1/4	12 1/2		

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. c Declared or paid in 1957, plus stock dividend. d Declared or paid so far this year. e Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. f Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. l Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

GE's TV Projector: Projection system designed for closed-circuit monochrome and field-sequential color TV, providing brightness equal to motion picture, will soon be offered by GE. Primarily designed for military applications, its principal drawback for use in closed-circuit "meeting TV" field (Vol. 13:52) will be its relatively high cost.

System is completely re-engineered and smaller version of Swiss Eidophor projection TV system, which caused great stir among movie people when 20th Century-Fox brought pilot unit to U. S. in 1953, hoping to mass-produce the equipment as theatres' answer to TV (Vol. 8:3-26). GE's work on new model was carried on in Switzerland in conjunction with staff of Dr. Edgar Gretener, developer of system. U. S. rights to merchandise Eidophor are still held by 20th Century-Fox.

Basic principle involves electrical charges on film of oil, creating large number of prisms which control light intensity. New version of Eidophor is limited to 15x20-ft. picture size, but is said to have 10 times the light output of other types of theatre-size projectors. Its xenon arc light source has brightness of 2000 lumens, compared with 16 lumens for brightest comparable sized conventional projector, according to closed-circuit marketing mgr. Frank Barnes. It has been built into transportable cabinet 5 ft. high, 2 ft. wide, 4 ft. deep. Engineer-made model of new system would cost about \$50,000, Barnes said, but if orders are received for 100 or more, cost can be cut to "under \$15,000" for monochrome model, "under \$20,000" for field-sequential color model.

System cannot be used with NTSC color, Barnes said, pointing out that GE is principal manufacturer of closed-circuit field-sequential color gear. Military is expected to be largest customer, but GE hopes to show prototype to potential civilian users, when gear arrives in U. S.—about 2 months from now. Eidophor will mark GE's entry into closed-circuit projection TV business, although the company has been increasingly active in industrial, educational & military closed-circuit in the last year.

In other large-screen closed-circuit news, Closedcircuit Telecasting System pres. Fanshawe Lindsley announced his company has ordered \$200,000 worth of color projectors capable of supplying 9x12-ft. picture from Philips of Eindhoven, Netherlands, for delivery this year. He also said CTS has ordered newly developed crystalite screens to increase picture brightness and is "negotiating" for purchase of mobile color pickup equipment "now located on the west coast," presumably the color gear being offered for sale by Paramount's KTLA, which is dropping colorcasts (Vol. 13:51).

TNT Tele-Sessions Inc. reported that Plymouth held 41-city closed-circuit meeting for dealers & salesmen Jan. 24—company's second use of the medium in 2 months. TNT says this was 58th "repeat" customer to use its facilities.

U. S.-USSR TV-radio exchange, subject of diplomatic negotiations since last Oct. (Vol. 13:44), were reported included this week in tentative protocol on cultural relations approved by State Dept. & Russian Embassy. No terms were announced, but Reds were understood to accept plan by which some filmed & recorded news & documentary programs would be traded. Russians also were said to have consented to end of boycott by which new U. S. movies have been kept out of USSR since close of World War II.

Lessons in Russian via WRGB, Schenectady—first such ever attempted on TV—are being offered Tue. & Thu. 6:30-7 a.m. by Dr. Irving Bengelsdorf, of GE research labs.

Call letter change: KSIX-TV, Corpus Christi (Ch. 10) changed to KZTV.

It Would 'Cannibalize' Free TV

Network Presidents State Views Against Pay TV

Texts of Statements by NBC, ABC & CBS Chief Executives at Hearings

Before House Committee on Interstate & Foreign Commerce, Washington, In Order of Appearances, Jan. 21-22, 1958

Statement by Robert W. Sarnoff

President, National Broadcasting Co.

THIS COMMITTEE is concerned with the possible effects of pay television upon the public. I believe these effects can be accurately gauged by the answers to 3 closely-related questions:

First, will pay-TV provide a distinctive *new* program service, or will it commandeer the prime attractions of free TV and offer them to the public for a price?

Second, if pay-TV becomes established, can the public continue to receive the same value from free TV?

Third, will the entrenchment of pay-TV leave the public any effective program choice between free and pay TV?

I will attempt to give precise and brief answers to these questions—answers based on the economic facts of TV life which apply with equal validity to either a pay or a free system.

Pay-TV Will Not Add To Existing Service

The question of whether pay-TV will provide programming otherwise unavailable should first be evaluated in terms of what is already available.

In its first 10 years, TV has created a program service of sufficient scope and appeal to induce our people to invest more than \$15 billion in over 47,000,000 sets. They view these programs an average of 5 hours daily. Apart from work and sleep, this occupies more American time and attention than any other activity, and this year more than ever before.

A service that can so preoccupy the public must logically range the whole spectrum of public interests. TV does so by drawing from every creative wellspring—from the theater, the movies, the music field, the sports arena. It also creates its own art forms and talents, which in turn serve to enrich those from whom it borrows.

TV does this not altruistically, but as a matter of business necessity. Our economic success hinges solely on our ability to keep those millions watching. If they become jaded or disinterested, our business fails.

What Different or Better Service?

So, when the pay-TV promoters say the money they seek from home boxoffices is for the purpose of offering a different and better service, I say what different program? What better service? They *must*, of course, make this claim to win admittance to the haven of public interest.

To offer the same programs for pay that are now free would be transparently opposed to the public interest.

Yet, in making the claim, they ignore an economic contradiction. The economics of pay-TV—like those of free television—compel it to develop the largest possible subscription audiences. Many of its supporters are candid enough to admit it. Witness, for example, this statement by Telemeter:

"It is obvious that it will be to the economic interest of all who participate in the development of pay-as-you-see TV to obtain the widest possible distribution at the lowest program cost to the subscriber. It is through the mass market that the maximum potential can be obtained."
—P. 32, Telemeter comments on proposed rule-making, FCC Docket No. 11279, June 1955.

With the mass audience a practical business necessity for pay-TV, it must offer the most popular attractions suitable to TV—attractions such as national sports events, musical and variety shows, comedy programs and drama series. Similarly, pay-TV must seek TV stars of established national popularity, stars already tested in the crucible of competition for public favor, stars who have proven their ability to win and hold a mass audience. If you seek the source of such stars and programs, I assure you it will be found primarily in the program schedules and the talent lists of the 3 national networks.

Pay-TV Would Outbid Free TV

The fact that pay-TV must have these hit attractions and stars is only half the answer. The other half involves their ability to draw them from the one inevitable repository—free TV. Here we concede them victory. With a boxoffice in every subscribing home, pay-TV could easily outbid our advertiser-supported medium for the same programs and talent we have developed and which provide us our economic base.

More specifically, the reason victory will be theirs in any tug of war for programs and talents is this: even though a pay program reached only a fraction of the audience the same program or star would attract on free television, it would produce far more revenue. A few months ago, nearly 60,000,000 people in 22,000,000 homes watched Mary Martin in "Annie Get Your Gun" on NBC. One-tenth of those homes, at \$1 each, would produce over \$2,000,000 in revenue from a single performance. Is there any doubt where talent and programs would gravitate

under the pull of that type of financial magnet? As for the remaining 50,000,000 people in the 20,000,000 families unable or unwilling to pay the dollar, their threatened disenfranchisement from programs once seen free is at the core of the issue this Committee now deliberates.

The example of "Annie Get Your Gun" could be multiplied to include all the key attractions and leading stars of the present service. With a shift of the most popular attractions and performers from free to pay-TV, the public will be left with an uncomplicated alternative: to pay for programs once free or stop watching them.

Free and Pay-TV Cannot Co-Exist

It is only a short stride from here to the second question: Can free TV continue to furnish a productive service if pay-TV is established?

TV is a delicately balanced economic mechanism. It exists by its ability to hold mass audiences which attract advertising revenues which in turn underwrite a whole range of programs that offer little or no financial return.

If pay-TV progressively siphoned off our key attractions, we would lose our only means of holding mass audiences. Advertising effectiveness would disintegrate, revenues would progressively shrink. The development of new programs, the continuance of those public service programs that have made TV such a vital force in American life would be financially untenable.

These programs we describe as public service include comprehensive coverage of the news through a world-wide organization of 300 correspondents; political campaign, election and convention coverage; information documentaries; educational programs; support of worthy public causes and organizations; addresses by public officials; discussion of public issues in interview and panel programs on which so many members of the House and Senate, and officials of the executive branch so frequently appear.

This is a more substantial operation than many people suspect. Every year, our program log shows that hundreds of officials of the Federal government appear on NBC programs devoted wholly or in part to the examination of serious national issues.

Would Pay-TV Offer Public Service Programs?

These are services of great importance to the public which pay-TV would not offer because they are not the revenue-producing services. May I ask you gentlemen, if it is not impertinent, how many of you have been approached by the pay supporters to sign up for their programs? According to their publicity releases they are out recruiting new shows and new talent. Have you heard of any Congressmen or govt. officials solicited for a pay-TV panel or informational program? I haven't, and I doubt that I will because the Nielsen and Trendex ratings of political leaders, diplomats and generals seldom rival those of a Perry Como, a Wyatt Earp, or a Steve Allen.

As free TV is stripped of its revenue-producing attractions by the development of pay-TV, it will not be able to sustain the public services that involve heavy unrecovered costs—almost \$11,000,000 for NBC alone last year. Possibly it could survive as a second-rate marginal service on the entertainment leftovers; more probably such an economic bloodletting would lead to total collapse of its program structure, public service as well as entertainment.

In this evaluation, I do not suggest that pay-TV would covet all—or even most—of our current programming. The effects I have described would follow if pay-TV embraced only the principal stars and attractions. A complete program take-over would be unnecessary. Programs are in a sense people—writers, producers, performers. By attracting such people, pay-TV would subvert the present service as effectively as if it took over entire programs.

Pay-TV Would 'Cannibalize' Free TV

So the second question has as precise an answer as the first. Pay-TV can succeed only by cannibalizing free TV. In doing so, it will not offer a replacement service of equal scope and it will produce a basic change in the American broadcasting system which is founded on the principle of Freedom to Listen and Freedom to Look. The public will lose in many ways:

Pay-TV would set up a new system, keyed to ability to pay. The stars and attractions of today would no longer be available to the total audience, but only to that fraction willing and able to pay. For the first time in TV's history, viewers would be divided along economic lines.

Those public service programs I mentioned would be early casualties. They are of limited boxoffice appeal—unpalatable to the pay-TV operator whose business is to fill as many homes coin-boxes as possible, as quickly as possible; unsupportable by a free service shorn of its economic supports. The loss of these high-cost, low-return services would be regrettable at any time and tragic in this critical era when an informed public is so vital to our security.

The amount of programming available to the public would be reduced to a fraction of its present volume. The broadcast service now runs from early morning to late night, with hundreds of *different* programs each week. No pay-TV promoter proposes such a service. Even if it could be provided on a pay basis, how many could afford it? To use pay-TV an amount equal to the present average set usage of 5 hours daily would cost far more than the average American now spends for the movies, the theater, and sports attendance combined—even if the charge were only a nominal 25¢ hourly.

No Public Choice Except to Pay or Not to See

A shift of key attractions from free to pay-TV would also have a destructive impact in another area of national interest, not directly related to the viewing public. American business relies on mass-circulation TV as a primary instrument for selling goods and services. The \$1.3 billion spent [by advertisers] in TV last year was spent to create and maintain a mass market, resulting in lower cost to the consuming public. If the props supporting television's mass circulation are carted away by pay-TV, our economy will lose one of its great driving forces.

The direct effects on the public, and the indirect impact on American business and advertising, would not, ironically, be the result of any public choice. The public would be left no effective opportunity to express a preference.

To see an attraction pay-TV had removed from the free service, the choice facing the viewer would not be between the two systems. The choice would be to pay or not to see.

This is the principle on which pay-TV was conceived: some people will pay to see television's key attractions if that becomes the *only* way of seeing them. Even this minority which would pay rather than forego certain popular programs could support a pay-TV system in bonanza fashion. It would require only a few shows to start the process, and then the pay virus would spread across the body of today's service with the fatal progression of an incurable malignancy.

It is a play on words to say that the development of pay-TV will depend on public choice. It is not free public choice—it is the denial of free public choice that alone can enable pay-TV to advance once it has its beachhead. It is also a play on words to say that the public will not pay for what it now gets free. When a TV attraction is taken over by pay-TV, it is no longer free.

The conclusions I have stated on the probable public

consequences of a pay system seem inescapable to me. But we deal here with futures, and no man can write the story of tomorrow with total clairvoyance. The best one can do in such a situation—and this applies particularly where major issues of public policy are presented—is to analyze all of the factors, draw reasonable conclusions from them, and then weigh the risks to the public from the alternative courses of action available. In my opinion, the balance of public interest weighs heavily against the establishment of pay-TV.

As far as NBC itself is concerned, we neither seek nor wish to enter pay-TV. But if it comes, and if it follows the step-by-step progression I have outlined, we—like the public—will have no real choice. Our only choice will be to go in the pay-TV field or go out of business.

Wireless or Wired Pay-TV—Both Mean 'Price Tag'

All the considerations I offer here have been presented by NBC, in relation to *wireless* pay-TV, to the FCC and Congressional Committees in previous studies of the subject. While *wired* pay-TV has not as yet been considered at the governmental level, we have, also within NBC, seriously and objectively sought to analyze the public effects of such a non-broadcast operation.

I spoke on this question recently in Pittsburgh. I then said: "We recognize the technical and philosophical distinctions between the two types of operations"—pay-TV on a wired basis as distinguished from pay-TV on broadcast frequencies. "The wire system does not involve the use of TV channels dedicated to free broadcasting, which removes one of the philosophical objections. Its operation would not automatically black out a free program, and this removes one of the technical objections. But as far as the practical effects on the public are concerned, we see no difference between the two systems. If either becomes established, the end result, I believe, would be the replacement of a broad-based free service by a narrower service with a price tag on it."

As a witness before you, I have felt it important to call your attention to these considerations relating to pay-TV, whether on a wireless or a wired basis. Legislative action on wired pay-TV, however, raises a series of jurisdictional, legal, technical and regulatory questions which only the Congress itself is in a position to study and determine. I will, therefore, confine my remaining remarks to wireless pay-TV.

As I have mentioned, apart from the over-all effects of pay-TV, the wireless system involves a further factor which is direct and immediate in its impact on free broadcasting. Every time a pay-TV program is broadcast by a TV station, it blocks out a free program on that station. In every community where a pay-TV program might broadcast, it would automatically curb the free service avail-

able—with the reduction ranging from 25% in 4-station communities to complete elimination in one-station areas.

'Subtracts Facilities' from Free TV

Use of broadcast frequencies for this purpose would be misuse—the very opposite of the standard of "public interest, convenience and necessity" which governs the administration of the spectrum. It would effectively subtract facilities from free TV and would be wholly inconsistent with the governmental policy of seeking to make *additional* facilities available for service to the whole public.

The FCC has announced that it will entertain applications for broad public tests of wireless pay-TV, but will defer action on these applications until March, presumably to provide an opportunity for Congressional consideration of the subject.

In my view, the proposed tests promise no meaningful resolutions of the issue. The impact of pay-TV will become apparent only as it establishes itself as a going business. Only then can it spread out to force a national subscription audience and obtain sufficient revenue to provide the type of programs it would normally offer. Tests provide an artificial, not a real, environment for assessing the effects of pay-TV, for they can be conducted on a basis far removed from the realities of the operation once the tests conclude.

The FCC recognizes this dilemma in its statement that "field demonstrations under highly circumscribed conditions and limitations would be unlikely to yield reliable indications of how subscription television would be likely to operate if later authorized on a more general scale. On the other hand we do not believe that we could at this stage justify the authorization of subscription television on an unlimited or general scale, even for a prescribed trial period."

Tests Mean 'Infiltration Beyond Recall'

The proposed tests would not resolve this dilemma. They simply skirt a decision on the basic issue. They offer the pay interests a golden opportunity to infiltrate, beyond recall, under the guise of experimentation.

Since authorization of pay-TV would produce a profound change in the present broadcast system, with far-reaching effects on the American public, it raises a fundamental public policy issue which should be resolved by the Congress.

I urge that this Committee officially request the FCC to withhold action on the pending pay-TV tests until the Congress has resolved this public policy issue; that it report favorably on the proposed legislation which would prohibit the use of broadcast channels for pay-TV; and that it take appropriate action to expedite enactment of this legislation by the Congress.

Statement of Leonard H. Goldenson

President, American Broadcasting-Paramount Theatres, Inc.

WE HAVE STATED our opposition to pay-TV on many occasions. Our reasons are explained in statements filed before the Senate Interstate and Foreign Commerce Committee during hearings held in April, 1956, and before the Federal Communications Commission.

We have also opposed the Commission's plan to authorize pay-TV on a "trial" basis. I have submitted to Committee counsel for distribution to members of this Committee copies of our Comments dated July 8, 1957 and Reply Comments dated July 22, 1957, which we filed in response to the Commission's proposal to authorize pay-TV

on a "trial" basis. Rather than repeat our position on "trial" authorizations in full detail in this statement, I believe that it would be preferable if I were to summarize it briefly and respectfully request that you make our Comments and Reply Comments a part of your record.

Our position is:

1. Pay-TV will supply little, if anything, that the public does not receive today on free TV—and with each succeeding season TV expands its already rounded program service.

2. If pay-TV succeeds, the programs now seen on free

TV will move to pay-TV. The public will be the loser, for it will be forced to pay for programs it now sees free.

3. Those who will suffer most will be people in the lower and middle income groups, those who can least afford to pay. These are the ones to whom a TV set is a means through which they can bring their families into contact with everything which is most exciting in the whole field of entertainment, sports, news and information and public affairs—indeed, the whole gamut of our activities as a nation.

4. The FCC was created by Congress to develop and foster our American system of free radio and free TV—not to authorize or encourage another system, which could lead to its destruction, without first ascertaining the will of Congress.

5. Irrevocable changes should not be made in the system which the Commission was established to aid and develop until the Congress expresses its will.

6. Commission experience demonstrates the difficulty of "turning the clock back" after interests become established, after the public has relied upon the Commission's action, and after substantial expenditures have been made.

7. Congress should not be by-passed on matters of basic national policy.

Would Mean Destruction of Free TV

The above outlines the position we have taken before the FCC. We believe that the Commission's action authorizing pay-TV on a "trial" basis would, if fully implemented, result in the establishment of pay-TV for all practical purposes even though it is supposedly on a "trial" basis. And this, we believe, would lead to the destruction of free TV.

I have spent most of my adult life in the entertainment business, dealing with program packagers, producers, performers and agents. These people are naturally interested in obtaining the maximum price for their products and services. This is not said critically. People in the entertainment business are no different from people in any other business. This being the case, I am convinced that a pay-TV system would soon strip TV of its most popular programs by the sheer weight of its bidding power.

Let me illustrate this by saying that the producers of programs would favor charging 1,000,000 homes 50¢ apiece with a gross of \$500,000 to charging 10,000,000 homes 1¢ apiece or \$100,000—a typical charge to advertisers. It can readily be appreciated that the potential of pay-TV—if it works—would make it almost irresistible from a profit standpoint.

Under our present system of free TV, the public can now receive a wide and varied selection of programs—dramatic, musical, sports, public affairs, discussion and news. The fact that the public would be charged for the programs on pay-TV is no assurance that the quality of television programming would improve. Nor is there any assurance that pay-TV programs ultimately would not carry advertising. If this occurred, the American people would pay for exactly what they now receive free.

Who Would Pay for Public Service Programming?

But would they continue to receive the public service programming now provided by our present system?

Our present system enables free TV to bring to its audience political conventions, Congressional hearings, Presidential addresses, and other special events of national importance. This is made possible only by the nation-wide interconnection facilities of the networks. These facilities also play a highly important role in our national security.

Free TV also donates time for thousands of public serv-

ice announcements for charitable promotions, Treasury bond sales, Armed Forces recruiting, and similar drives.

The revenue which networks receive from commercially sponsored programs makes possible the presentation of public service programming which individual stations on their own cannot afford. Any significant threat to the economic base of free network TV threatens this programming—at a time when it is more important than ever to have an informed and alert citizenry.

There are approximately 47,000,000 TV receivers now in use. These receivers represent a multi-billion dollar investment by the American people—an investment made in reliance upon the continuation of free TV service. It would be a flagrant breach of faith to change the fundamental concepts on which our system is based—a change which would create classes of viewers based not on choice but on ability to pay.

The inability of a network to broadcast its program in markets where scarce facilities are used for pay-TV programs, would make free TV programs unacceptable to national advertisers and cause their cancellation throughout the country. As this occurs, the economic base of TV advertising would dry up, and this in turn would result in the end of free TV.

How Pay-TV 'Trial' Would Work

This problem could be presented by a "trial" of pay-TV even though restricted to markets with 4 services. Let us take an example familiar to all of you—Washington, D. C.—one of the markets in which tests may be authorized. Channels 4, 5, 7 & 9 are assigned to Washington. These are all the VHF channels which can be assigned. Today—Wednesday—your local papers carry the evening program for these channels, and you are no doubt familiar with many of the programs listed. Assume one year from now that we have pay-TV in Washington. Pay-TV programs could well replace free TV programs you can see tonight. For example, on Channel 7 in the prime evening hours—7:30 to 10:30—you can see programs ranging from *Disneyland* to the Wednesday Night Fights. If Channel 7 were devoted to pay-TV during those hours, none of these programs will be listed in your paper—the channel would be blacked out unless you paid. If 2 of the stations in Washington devoted their prime evening hours to pay-TV, there would be only 2 stations left to accommodate the free programs now provided by the 3 networks and other program suppliers. That is what pay-TV could mean to Washington.

Will Join 'Em If Can't Lick 'Em

We cannot believe that Congress will permit the destruction of our present TV service, or that the American people would tolerate its destruction; nevertheless, it is incumbent upon us to state what our position would be in this unlikely event.

We are strongly committed to continuing our growth as a free TV network with the programming bill paid by the advertiser, rather than by a limited segment of the public. This position is based upon an evaluation of our own business position as well as the public interest.

We know that we may expect an increasingly successful network operation under the present system of free TV. The growth of the ABC-TV Network, which in 1957 provided 100,000,000 TV listening hours a week to the American public compared with 50,000,000 in 1955, is dramatic proof of this.

In the event, however, that pay-TV were to become a successful reality with the resulting deterioration of free TV, we would be obliged, as a matter of self-preservation, to enter the pay-TV field, and our experience and know-how in the entertainment field should enable us to take a

leading position should this occur. Nevertheless, we prefer to continue to serve all the American people with a constantly growing and improved program service rather than depend on a small portion of the public for a possibly higher profit.

We will, therefore, continue to operate as a company under either the present free TV system or a substituted pay-TV system. We cannot say with any certainty at this time which system would provide the most benefit to us, since there are too many unknowns in the pay-TV picture. However, we do know which system will give the most benefit to the American public.

The Commission and the proponents of pay-TV have stated that it is in the best American tradition to give pay-TV a test. To permit such a test is equivalent to starting an epidemic to test a new vaccine. Once the epidemic has started, it cannot be controlled. Even "limited" 3-year tests, because of the investment required, would create economic interests which once established would be virtually impossible to dislodge.

The suggestion that this investment and established viewing habits developed over a 3-year test period would not virtually require final approval by the Commission, is

unbelievable. Past Commission experience is directly to the contrary. The existing VHF-UHF dilemma is a classic case in point.

Policy Must Be Congressional Decision

The fundamental precept of the Communications Act is operation in the public interest. Clearly the public interest cannot and would not be served by the destruction or weakening of our present system. In the last analysis, when you cut through all the arguments for and against pay-TV, it is inescapable that what is proposed is a major reshaping of our national policy in the field of broadcasting. A matter of this magnitude, with its far-reaching implications, should be one for Congressional rather than administrative decision.

I do not venture to suggest to this Committee what specific action might be taken on the several pending Bills dealing with this subject. However, I do believe that this Committee should make known to the Federal Communications Commission that no authorization, trial or otherwise, should be granted pending your determination of our national policy. The question is whether the people will be deprived of free TV. The decision is yours.

Statement of Frank Stanton

President, Columbia Broadcasting System, Inc.

IN THE INTEREST of conserving the time of this Committee, I ask permission to submit, for the record, the Comments that we have filed in the pay-TV proceedings before the FCC. I also ask permission to introduce into the record an analysis of pay-TV, *Free Television and the American People*.^{*} We prepared this for a meeting last week with the affiliates of the CBS-TV Network. [See also Special Supplement of Jan. 18, 1958, published by *Television Digest*.]

With all deference to the FCC, I am comforted by the feeling that the issue of pay-TV is now in the proper forum. The comments which I am submitting for the record set forth the reasons why our lawyers entertain profound doubts that the Commission has the power to authorize or regulate pay-TV. Quite apart from the legal considerations, however, pay-TV involves a question of national policy in which the public has an enormous stake. As I will develop in the course of this statement, public tests are inadequate to resolve the issues in this case. Therefore, we stand in the right place now when we ask the Congress, as the representative of the people, to decide the fundamental public policy question of pay-TV.

Now, let me state in most summary terms: first, the position of CBS on pay-TV and second, the reasons for that position. Then, I shall move as quickly as possible to a statement in somewhat more detail of the basic question before this Committee—the question of a public test, and why we believe that such a test, whether limited or unlimited, is fundamentally fallacious.

There Can Be No Co-Existence

The basic position of CBS is this: We are for free TV. We are for it as it is today and as we are confident that it will develop and improve in the future.

Since we are deeply convinced that pay-TV and free TV are incompatible, our stand for free TV means that we necessarily must be against pay-TV. We believe that it is impossible to be for both, because there can be no co-existence between pay-TV and free TV as we know it.

^{*} 39p. booklet available on request from CBS, 485 Madison Ave., N. Y.

Therefore, we support legislative action which would prevent administrative authorization of the use of the free airwaves for pay-TV, until the Congress itself has granted that authority.

I should make clear that our position concerning closed-circuit or wired pay television—which I do not understand to be before this Committee and which is not before the FCC—is a little different. Closed-circuit pay-TV does not involve the use of the airwaves dedicated to free TV. We feel that for us to seek prohibitory legislation would put us in the position of asking Federal protection from competition which does not use the airwaves which free TV has done so much to develop. Therefore, we do not ask for legislation which would prohibit closed-circuit pay-TV. Nevertheless, I would point out (1) that closed-circuit pay-TV proposes to ride piggy-back on free TV since it must use existing TV sets which were bought to receive free programming; and (2) except for the fact that closed-circuit pay-TV would not directly black out the airwaves, it will have all the same injurious effects on free TV as will over-the-air pay-TV.

If There's Pay-TV, We Will Get Our Share

We do not believe that our own ultimate economic interests are at stake in the resolution, one way or the other, of the issue of pay-TV. If the Congress should decide that pay-TV is in the people's interest, and if pay-TV then begins to take hold and to supplant free TV, we shall participate in it, if we must, to survive economically. We would have all the facilities, the know-how and the experience for providing entertainment on the TV screens in the American home. If we must go into it, we believe we would get our fair share of the multi-billion dollar bonanza which the pay-TV promoters portray.

So we do not think that the economic fate of CBS-TV hangs in the balance on the issue. But we do believe that the fate of free TV as we know it today does hang in the balance. We believe that the major—the only important—stake in the issue is the public's. We believe that if pay-TV becomes a reality, not we, the networks and the broadcasters, but the people will be the losers.

Since other witnesses have already ably stated the reasons against pay-TV, I want to review briefly why we have become convinced that the public would most surely be the loser if pay-TV goes forward and should succeed.

Pay-TV, by its very nature, must be essentially subtractive rather than additive. It is subtractive because it proposes to use channels now dedicated to free TV. Each time a scrambled signal goes over the air, it necessarily blocks out a free signal. Thus ultimately here in Washington, for example, pay-TV would use Channels 4, 5, 7 and 9—not the unused ones in between because those are occupied in neighboring population centers.

Pay-TV Is 'Subtractive'—Would Siphon from Free TV

Pay-TV is also subtractive because of its enormous potential for siphoning programs from free TV. It cannot and will not limit itself to "new" programming not now on the air. It must turn to the programs, the people, the talent now making up free TV. And with the enormous number of dollars which just a small minority of the audience can bring in, pay-TV will most certainly be able to take those free programs away. It will have to do so if its promoters are to amortize their tremendous initial costs.

But I need not labor the point, for the pay-TV promoters have already made it for me. It is they—not we—who have talked about seizing baseball, professional and college football, star talent and plays from free TV.

I agree that the World Series might be one of the last programs to go, but what the lawyers for the promoters say to you about the World Series is different from what the promoters say to prospective investors. Telemeter recently said: "The World Series in the future conceivably will be able to gross as much as \$25,000,000." (They were talking about pay-TV.)

The siphoning process has nowhere been summed up more simply than by the only station applicant which has filed with the FCC for a license to go forward with pay-TV. That applicant has said: "We ask merely for the authority to sell, if we can, something which is now being given away." I cannot say it any better than they have said it.

Would Sell What's Now Being Given Away

The consequences of pay-TV will be a real misfortune for the American people. Viewers will have to pay for what they now receive free. And for the first time, television, now a democratic unifying force, will be divisive. Where now the best in television is available to all Americans pay-TV will fence off the best for the carriage trade. One prosperous viewer can pay—and deprive a dozen of his neighbors of the programs they are now enjoying.

The costs to the American people will be enormous. Each family would have to buy or rent a decoder costing between \$40 and \$85.

On top of that will be the charges for programs. To watch pay-TV for two-thirds of the number of hours that it now actually watches free TV, the average family would have to pay \$473 a year. This is 7 times what the average family spends annually on shoes; 3 times what it spends on heating and lighting its home; and, more than it spends on all medical and dental bills, plus all drugs and medicines, plus all cosmetics and shaving supplies, plus all dentifrices.

Even if we take a figure of only \$100 a year, which has been suggested by the pay-TV promoters as the anticipated average collection per family, that amount is more than 3 times what the average family now spends for all admission fees put together, and substantially more than it spends for shoes. And for this \$100, at an average of 50¢ an hour, the family would get only 4 hours of viewing a week—which is only a little more than one-tenth of the time it now devotes to free TV.

Again, not we, but the pay-TV promoters have put this problem of cost to the American family most forcefully, "We can," said an officer of Telemeter, "nickel-and-dime them to death."

Those, briefly, are some of the reasons why we feel compelled to oppose pay-TV: it will black out free channels; it will siphon away free programs; and it will divide the audience along economic lines.

Fallacy of the Test—Trial Unnecessary

Let me turn now to the imminent issue—the issue on which the controversy concerning pay-TV has tended to focus. That issue is whether there should not be some sort of test of pay-TV. I think that perhaps confusion arises out of the fact that different people are talking about different tests—and sometimes the same people are talking about different tests at different times. And nobody has really stopped to analyze what, if anything, needs to be tested or how success or failure can be measured.

What I want to do now is to demonstrate: first, that no test is necessary; second, that the entire concept that there can be a democratic public choice with respect to pay-TV is fallacious; and third, that the test proposed by the FCC cannot achieve the Commission's objectives.

You have been told that a trial is necessary because the FCC lacks the decisional facts required to determine whether pay-TV would be in the public interest. But the decisional facts sufficient to justify denial of the pay-TV proposals are available in abundance.

There is no dispute with respect to the blackout of free channels. When a station is broadcasting pay-TV, it is blacked out for those who want to see free programs.

There is no dispute with respect to divisiveness. It must be clear that the prosperous family will be able to view more programs than the average family.

There is no genuine dispute with respect to the siphon. The pay-TV promoters have said, over and over again, that they intend to put on the air the mass-appeal attractions which are now on free TV. And the FCC itself has stated in its Report "that some kinds of programs hitherto available under the present system would probably be subjected to a charge on the viewer."

Indeed, ordinary common sense shows that producers, stars, writers, motion picture companies and others will respond to the lure of higher pay just as everybody else does. If they can make more money out of pay-TV than out of free TV, they will move to the greener pastures.

The People Would Pay

In addition, it is clear that people would rather see a baseball game free than pay for it. And all available evidence indicates that people would pay for the programs they like best if they could not get them without paying. A Gallup Poll found that 31% of those interviewed said that they would pay for the *Ed Sullivan Show* if they could not see it free. Surveys by Politz, Pulse, Roper, and the major league baseball owners have reached similar conclusions.

On the other hand, there is a striking absence of decisional facts to demonstrate the advantages of pay-TV. The briefs filed by the proponents' lawyers contain only the vaguest and most illusory promises. No principal of any proponent has appeared before the FCC or this Committee. Where a small group of people are proposing a scheme which bears within it so much danger and disadvantage to the public, one wonders what has happened to the old-fashioned concept of asking a proponent to meet a burden of proof.

The Canadian Royal Commission on Broadcasting, a government body composed of distinguished citizens, had

these same proponents before it. This Commission had no difficulty in making the predictions which resulted in their rejection of pay-TV. They said "subscription television would tend to canalize for its own use the great popular programmes now offered free to the viewing public."

We feel that the decisional facts for free TV and against pay-TV are clear. A test is unnecessary. An informed decision can be made now.

Test Can't Establish Majority Public Choice

Not only is the test unnecessary, but the very concept of a test is, in this case, fallacious. The broad argument is made that America is built on new enterprises which must have an opportunity to succeed or fail in the marketplace. Therefore it is urged that the public should be permitted to decide the fate of pay-TV by accepting or rejecting it. This sounds overwhelmingly sensible and in the best traditions of free enterprise. But, in this case, it just doesn't work out.

There are two reasons for this. First, there is no majority choice involved. Nobody is proposing that the test be whether a majority of the people want pay-TV. That is a test which pay-TV cannot meet.

The concept of a test by public choice in the marketplace is nothing more than a test to determine whether pay-TV promoters can make money. This is only a test of whether a minority will pay enough to make pay-TV profitable. But proving economic profitability does not prove public interest. We know right now that it is not in the public interest to permit one viewer to black out a dozen.

Second, there is a vital distinction which destroys the analogy involving competition between new and traditional products. Let me demonstrate this with some examples. The ball-point pen competes with the fountain pen and the electric razor competes with the safety razor. But, although the ball-point pen is a competing means of writing, it does not prohibit the fountain pen from occupying a place in a pocket. The electric shaver is a competing means of shaving, but it does not forbid the safety razor from occupying a place in the medicine cabinet. There is a crucial distinction between pay-TV and such examples; pay-TV does propose to occupy the scarce TV channels dedicated to public use. It does propose to oust free TV from these very channels.

It is these fundamental distinctions which make the notion of a people's choice during a test of pay-TV wholly unrealistic.

The Test Proposed by the FCC

I originally came here to oppose the Commission's Report, which set forth the conditions of the test. I have since learned, from statements made before you last week by members of the FCC, that the conditions will be varied from case to case and improvised from station to station as applications are processed, without continuity, uniformity or certainty.

It seems to me, however, that I must initially take the Report at face value. It is our conviction that the so-called test there proposed is neither limited nor controllable and that, in fact, it is no test.

According to the Report, each pay-TV system may operate in 3 of more than 20 eligible areas. These areas include more than 40 different cities in which stations, assigned to those cities, are actually on the air. In these areas are the largest markets in the nation, precisely where the advocates of pay-TV have said they want to operate if there were no restrictions at all.

There is no limitation on the number of pay-TV systems. Five have already been proposed, and more may be feasible. The so-called test could, during its duration, become effective in all 20-odd markets. On the assumption

that only the three principal proponents will elect to participate and that they will decide to operate in the nine largest markets, 15,000,000 TV families—36% of the nation's total—will be within the test area.

The period of the trial authorization is 3 years. The Commission has stated in its Report that it would not terminate the tests before the 3-year period without evidentiary hearings; and that it might permit them to continue, after the 3 years, during the time required to conduct hearings and reach a final decision.

The Report places no restrictions on the number of stations in a market which may participate, or on the number of hours during which each station may broadcast pay programs (except that it must broadcast 28 hours of free TV a week), or on the times of day during which pay programs may be broadcast, or on the prices that may be charged to the public, or on the kinds of programs, or on the use of advertising.

Huge Investments Would Be Involved

The Commission stated in the Notice which preceded its Report that it did not want to encourage "inordinate investment" during the trial. But it has done just that. If only the nine largest markets were involved, the cost of equipping only one out of 4 of the TV homes in the test area with decoders would, on the assumptions most favorable to the proponents, be just under a quarter of a billion dollars.

In addition, huge investments would have to be made, largely by local businessmen, in establishing and maintaining the expensive organizations for distributing decoding information and collecting program charges. All of these expenses the public would, of course, be expected to bear in one way or another.

These inordinate investments will inevitably generate their own pressures. It will be extremely difficult to terminate this test and, thus, to destroy these enterprises and investments.

'The Power to Siphon'

I am not under the illusion that the test will immediately bring about all of the evils of pay-TV or that it will demonstrate the full power of a permanent authorization. But during the trial, the power to siphon will be present. If only 10% of the TV families now viewing the *Ed Sullivan Show* in the 9-market test area paid 50¢ for the program, the promoters of pay-TV could pay the stations, take \$100,000 for their own costs and profits, and still offer the talent appearing on the show 2½ times what is now being paid.

Certainly, during the protracted period of the test, the blackout will be in operation. This would be true even if only one station in the eligible markets were broadcasting pay programs. In many of the eligible markets there are rural, outlying and fringe areas of considerable extent which receive Grade A service from one of the 4 (or more) stations serving the area. For instance, in the Milwaukee area, if WISN-TV went to pay-TV, approximately 180,000 people would lose their only Grade A free service during the period of pay operations. The shift to pay-TV by a single station in each eligible test area will deprive, in total, more than 1,000,000 people of all free Grade A service.

Beyond this, there is nothing in the Report to prevent all of the stations in the market from presenting pay programs at the same time during the peak viewing hours of the evening, and during that period from producing a total blackout for everybody in the market.

Broad as this test is, it may not show the full impact of pay-TV on free TV. It is reasonable to expect the pay-TV promoters to be on their best behavior pending full author-

ization. They may indeed occasionally give us differential calculus, as they have promised, instead of Jayne Mansfield. They may indeed leave Perry Como and the World Series alone. With so much at stake, self-restraint would simply be self-preservation.

An attempt to pass judgment on the ultimate programming of pay-TV on the basis of a trial is like attempting to write a book on child behavior based on the actions of children during the week before Christmas. But here the stakes are not a tricycle or a doll—they are \$6 billion a year. The proponents will have the incentive, the resources, and the patience to walk carefully.

FCC's Rules Are Only Improvisations

Thus far, I have been discussing the proposed test specified by the FCC Report. When appearing before this Committee, however, members of the Commission stated that they might depart from the Report and adopt varying rules on an application-by-application basis.

In these circumstances, it is difficult if not impossible for us, or this Committee, to assess the test since its rules are still being improvised. But even to the extent that the improvisation has begun, new difficulties have already emerged. For example, although no such limitation appears in the Report, the Chairman of the FCC indicated that all stations in a market might not be permitted to participate in pay-TV and that he might be reluctant to grant the last 2 or 3 applications in an eligible area. If this suggestion should be adopted, a built-in incentive to abandon free TV would be provided. The first station to apply might have an advantage to the point of monopoly by squatters' rights. It would put a premium on early desertion from free TV. The stations which remained loyal to free TV would be subject to the great risk of being frozen out of pay-TV.

In any event, it would appear that the FCC is improvising new rules which cannot result in a meaningful test. For example, if it will not grant the applications of the last 3 stations in a market, or if it will allocate different hours to different stations in the same market, it may well

alleviate some of the evil consequences of the test. But by the same token, it will have robbed the test of all possible validity for it will have made it impossible to prove the basic point at issue—the impact of pay-TV on free TV.

Test's Basic Fallacy and Impracticability

To launch an explosive missile from Cape Canaveral over the lonely wastes of the ocean is an experiment. To drop that missile on Pennsylvania Avenue is not an experiment. The impact of the so-called pay-TV experiment which is proposed will have immediate effect upon 15,000,000 TV families.

The Commission apparently believes that after inordinate investments have been made, after pay-TV has been in operation for years, after artists and producers have been accustomed to vastly higher pay, after millions of viewers have become habituated if not reconciled to the pay system, hearings will be held to determine whether the *fait accompli* created by the Commission should be reversed. It may well be too late at that point to reverse the course of history. People will be paying to unscramble pay-TV signals, but the pay-TV test itself will be hard to unscramble.

The difficulties of these tests are not difficulties of details; they cannot be fixed by a little patching here and there. These difficulties are symptomatic of the fundamental fallacy and impracticability of the basic concept of these tests.

Forty-two million American families watch TV on an average of 5 hours a day. They have invested \$22 billion on the assumption that they would continue to have free access to the channels which have been dedicated to the public use. We feel that the investment and the reliance of the public in these airwaves deserve Congressional protection.

In the final analysis, there is no easy way out—the matter has to be voted up or down. Tests provide no escape from decision. The decision can be reached by analysis and expert judgment. That must be done here—by you gentlemen who represent the people.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

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SUMMARY-INDEX OF THE WEEK'S NEWS — February 1, 1958

IDEA OF "7TH REPORT" mulled by some Commissioners, who seek to "do something about uhf." No majority view apparent yet, but talk spreads (p. 1).

REAL SHOWDOWN ON FCC "misconduct" charges due in hearings starting Feb. 3. Commissioners believe law sustains them on expenses, industry relations (p. 2).

1958 AM-FM DIRECTORY READY: 216-p. volume logs all No. American stations by states & cities and by frequencies, also shows all applications pending (p. 3).

TOLL-TV DECISION by House Commerce Committee deferred another week, as Congress gets more anti-pay-TV bills, resolutions and speeches (p. 4).

DO YOU KNOW THAT relatively few Senators and Congressmen own or control TV or radio stations. Stockholdings mostly minority. List from FCC records (p. 5).

NEW STATIONS START in Orlando, Fla.; Kennewick, Wash.; Ponce, P. R.—with WTVC, Chattanooga (Ch. 9), moved from Rome, Ga., about ready to go (p. 6).

FCC NETWORK HEARINGS to be protracted, as 32 groups ask to appear; networks have 25 witnesses (p. 6).

TV ADVERTISING JUMPED from zero 10 years ago to more than \$1.3 billion in 1957, or 12.6% of all media. Radio hits all-time high of \$648,000,000 (p. 8).

ED NOBLE BRANDS UNTRUE story he's lining up opposition to Goldenson's regime as pres. of AB-PT for showdown at stockholders' meeting in May (p. 9).

Manufacturing-Distribution

HUGE TV REPLACEMENT MARKET seen in latest Mansfield estimates: 12,000,000 small screen sets, 5 years old, among 46,120,000 in use at year end (p. 10).

WESTREX STEREO APPROVAL seen as go-ahead for fall marketing of both stereo records & players. Stereo fever spreading to radio, too (p. 11).

TRANSPARENT CR TUBE marketed by GE for military-industrial use; inexpensive mass production possible. TV potential: "outdoor portables" (p. 13).

A 'SEVENTH REPORT' ON TV ALLOCATIONS? Maybe it's only a trial balloon, but some FCC members are talking up the idea of another full-scale TV allocations go-around -- a rule-making proceeding leading to a "Seventh Report." ("Sixth Report" is term describing document which ended 1948-52 freeze and set up present vhf-uhf system.)

Chairman Doerfer, for example, had this to say about allocations, when needled on deintermixture by Rep. Mack (D-Ill.) during Moulder subcommittee hearing this week (see p. 2): "My view is that the whole problem may have to have another rule-making, which might lead to putting all TV into the uhf." Doerfer emphasized to us later that he said "might."

The talk is animated, at any rate, by a desire to "do something about uhf." This is nothing new, nor is there any clear-cut majority view, nor is it imminent (staff hasn't been told to draft anything) -- but there's certainly more strength behind discussion than there has been for some time.

Commissioners don't want to be quoted at this stage, but here's a sampling of their thinking at the moment:

"How long can we promise the public more service from 70 uhf channels? After almost 6 years, there are only 90 uhf stations. We have no consistency in deintermixture -- and if we make an area all-uhf, it still doesn't mean anything. I understand the manufacturers have stopped all research on uhf. Maybe we ought to make the east uhf, west vhf, give stations about 8 years to move to uhf. Or maybe we ought to cut vhf station service down so that uhf is competitive. Or maybe we ought to give all the uhf to the military in exchange for some vhf. But how long can we

keep things the way they are? And I don't think we need to wait for TASO's technical findings [due by June 30] to start. Rule-making might take a couple years."

Here's another: "We've got to do something to arrest the trend to a 12-channel system. It isn't enough."

But here's a dissenter: "We have no time for that now. We'll have to limp along with the present system right now. We don't have the tools. I don't anticipate much out of TASO, but we ought to give them a chance."

An even stronger dissenter: "Doerfer isn't speaking for the Commission on that. I'm waiting for TASO -- to see what the ground rules should be before we start thinking about changing things."

'THE FCC CORRUPTION STORY' (Cont.): It isn't possible to tell yet whether any FCC commissioner -- or anyone else, in fact -- is going to be hurt by the much-publicized charges of "misconduct" leaking from the Moulder subcommittee (Vol. 14:4). Next week may tell the story, for all commissioners and a flock of industry witnesses start testimony in open hearings beginning Feb. 3.

To a man, the commissioners insist they've violated no law, indulged in no improprieties. They feel their explanations will satisfy Congressmen and public. What disturbs them is the raw publicity generated by leaks from the Moulder investigating group -- including its confidential staff memo (Vol. 14:4) -- when they had no official bill of particulars to study and answer.

The charges garnering most publicity are those stating commissioners let industry pay their expenses for attending industry meetings while at same time taking per diem payments for the trips from Govt. Commissioners note that FCC is unique in that Communications Act specifically allows them to accept honorariums for speeches. Thus, the law leaves things fuzzy, at the very least, in their opinion. According to Moulder, U.S. Comptroller General Joseph Campbell says that charges of expense mishandling, if true, show impropriety and violation of law. But there's question whether Campbell was given full facts. On Jan. 31, Moulder sent each commissioner list of charges against him, along with copy of staff memo -- to study over week end in preparation for the hearings in New House Office Bldg., Rm. 1334.

Five members are being charged with "misconduct," most recent appointees Craven and Ford alone exempted. It's expected all the commissioners will stand fast on their interpretations of the law. And, unless some egregious wrongs are brought out, it's not expected there will be any pressure from White House to force Chairman Doerfer or any other member to resign.

* * * *

Witnesses called to date, besides all 7 commissioners: George McConnaughey, ex-chairman; Frieda B. Hennock and Edward M. Webster, ex-commissioners; Comptroller General Campbell; Harold E. Fellows, NAB pres.; Robert K. Richards, ex-NAB v.p.; Frank U. Fletcher, Washington counsel for KWTW, Oklahoma City, at whose tower dedication Doerfer spoke; Frank M. Russell, NBC Washington v.p.

A prime defense of Commission during 3-day schedule of testimony is bound to be an explanation that its function is primarily legislative, like that of Congress, hence imposes a duty to learn industry problems by every possible means, including field trips, informal discussions -- "fraternization," in a sense. Says one commissioner: "If Congress wanted to clothe us in judicial robes, it would have done so. But it recognized our legislative role."

As for expenses, here's another commissioner's reaction: "I think the basic thing is that you don't make money on these trips. I lost money on them last year -- and you can be sure I showed that on my income tax return." Charge is that industry usually picks up tabs for hotel rooms at conventions, yet commissioners put in for \$12 per diem room-&-board allowances (until recently \$9). How, argue the commissioners, could they possibly "make money" with expense costs what they are? Chairman Moulder has said personal financial papers will be inspected.

RCA's loan of color sets to the commissioners has been another hot publicity topic. Late Senator Tobey went through same thing about black-&-white sets in early days of TV, when he was fighting the late Maj. Edwin Armstrong's battle against RCA on FM. Nothing came of it, when it became apparent the Govt. itself was not providing sets even to the FCC -- and those then cost about what color sets do now.

RCA gave as its reason: To acquaint commissioners with set performance. It has also serviced color sets, replaced them from time to time, then sold used units to stations for monitors -- and says it still made money on them. These sets are on "loan" basis -- and among those having them are many other top govt. officials, newsmen, et al. There are 2 in the White House, to say nothing of 2 black-&-white and one DuMont black-&-white, perhaps others.

Among other subjects the subcommittee will probe in hearings: "Influence" in comparative TV cases (Congressional, too?); policy on anti-trust matters and patents. [For digest of staff memo on charges, see Vol. 14:4.]

Moulder subcommittee has its own problems. After arguing over its youthful investigator Prof. Bernard Schwartz's method of operating, over leaks, etc., it ordered staff not to give confidential reports to subcommittee members themselves! It released staffman Norman Gelman, a special fellowship student working for free -- on basis of "conflict of interest." Gelman is a reporter for the St. Petersburg (Fla.) Times, published by Nelson Poynter, a Ch. 10 applicant in St. Petersburg.

Full story must yet unfold -- but some newspapers have already editorialized, generally unfavorably toward the Commission. FCC commissioners appeared before the Moulder subcommittee in open hearing Jan. 29 but, under a "gentlemen's agreement," testimony and questions were confined to general functions of the FCC (see below).

1958 DIRECTORY OF AM-FM STATIONS READY: Our all-inclusive Radio Station Directory for 1958 will be off the presses next week -- an authoritative listing of the nearly 3300 AM broadcasting stations operating or authorized in the United States, and the nearly 600 FM stations. In addition, all aural stations in Canada, Mexico, Cuba and other North American countries are listed.

Six-part, 216-page log tabulates them (1) by states & cities, with company names, addresses, frequencies, powers, antenna heights (FM), network affiliations if any; (2) separately by frequencies; (3) by call letters. Applications pending as of Jan. 1, 1958 (more than 300 AM, about 50 FM) are also listed in separate logs (1) by states, and (2) by frequencies. And there's list of FCC-approved transmitters.

The AM-FM Directory can be kept up to date through the year with our weekly Addenda (yellow sheets) reporting FCC's current grants, additions, changes, etc., including station sales as reported and authorized and data on non-U.S. stations as reported by the radio regulatory authorities of Canada, Mexico, Cuba, et al.

Directory will be mailed next week to subscribers to the complete Television Digest services, with extra copies available at \$7.50 each (5 or more, \$5 each). Our recently-instituted AM-FM service, incidentally, provides the AM-FM Directory plus the 52 AM-FM Addenda at \$50 per year.

Note: The 26th edition of the semi-annual TV Factbook is now being readied for press, should be available in about 4 weeks. The standard reference of the tele-casting and associated electronics industries goes to all our full TV and full TV-AM-FM subscribers, with extra copies available at \$5 each (5 or more, \$3.50 each).

Hearing on FCC procedures, conducted Jan. 29 by Moulder subcommittee under "gentlemen's agreement," with impropriety charges deferred (see above), elicited these points from FCC Chairman Doerfer: (1) Administration doesn't dictate FCC decisions, though Commission personnel and security activities come under executive branch. (2) "Clarification" of law is needed to restrict courts' interpretation of "protest rule"--so that cases

won't drag on for years. (3) A govt. commission above both FCC and Defense Dept. should be created to govern spectrum allocation--to weigh conflicting demands on frequencies, replacing present system of "negotiation" between FCC and govt. spectrum users. (4) Budget Bureau doesn't inhibit Commission from asking appropriation committees for funds to carry out any program it chooses. However, Bureau does set limit on total appropriation.

Toll Verdict Deferred: There was plenty of anti-pay-TV wind on Capitol Hill this week—but no action. Chairman Harris (D-Ark.), who last week promised that his House Commerce Committee would meet on issue Jan. 30 (Vol. 14:4), found Committee's schedule hopelessly snarled with other matters—notably the Moulder subcommittee meetings and hearings—and was forced to defer consideration of action to block subscription TV until Feb. 6.

Six members of 15-man Senate Commerce Committee introduced "sense of the Senate" resolution (S. Res. 251) urging FCC not to authorize any form of pay TV "without specific authorization by law." They were Democrats Smathers (Fla.), Thurmond (S. C.), Lausche (O.) and Republicans Butler (Md.), Potter (Mich.), Payne (Me.). After anti-toll speech on floor by Sen. Thurmond, they were joined in sponsorship of bill by Sen. Carlson (R-Kan.).

Fact that only 6 of the 15 members of Senate Committee joined in sponsorship of resolution is illustrative of split among that group. Stated views of other Committee members:

On record as leaning toward idea of fee-TV test—or at least leaving whole matter to FCC's discretion—are Chairman Magnuson (D-Wash.) and Sens. Pastore (D-R. I.), Monroney (D-Okla.), Bricker (R-O.), Schoeppel (R-Kan.). Not on record are Sens. Bible (D-Nev.), Yarborough (D-Tex.) & Purtell (R-Conn.). Sen. Cotton (R-N. H.) says he opposes pay TV on principle but doesn't think Congress should inject itself into issue now.

Following Jan. 29 closed Committee meeting, Chairman Magnuson said resolution had been referred to Sen. Pastore's communications subcommittee. As to whether hearings might be held on Senate side, he said "that's up to the subcommittee." He added he personally feels issue ultimately will be decided by courts. Meanwhile, Sen. Ervin (D-N. C.) said he had received "very heavy" mail against pay TV and pledged to support legislation denying FCC authority to license any form of toll TV. In recent weeks, 11 Senators have gone on record as opposing pay TV, of whom 8 are now sponsors of anti-subscription legislation.

On House side, 19 Congressmen have recently opposed

Medical Subscription TV: Dr. Leo L. Leveridge, director of Pfizer lab's medical film dept., who appeared on his own at last week's pay-TV hearings, filed supplemental views with the House Commerce Committee asking that Govt. take no action which would interfere with experimentation with scrambled signals directed at education of doctors. "TV offers the practicing physician a direct pipeline from his home or office to the medical teaching center," he told committee, but picture would have to be coded, being unsuitable for general public. Costs, he said, would be carried by pharmaceutical firms & doctors; schedule (around 7 a.m.) would not interfere with regular programs.

Note to readers: Reports on radio station sales and approvals, hitherto carried in the Newsletter, will henceforth be carried only in the *AM-FM Addenda* (yellow sheets) unless they are of transcendent importance. Reports on TV station sales will continue to be reported in the Newsletter.

Mutual Broadcasting System pres. Paul Roberts says 450-station radio network has enjoyed operational profit of \$24,000 since last Sept.; his group took over from Teleradio last Aug. 8, and he states network losses for first 7 months of 1957 were \$680,000.

fee TV, with 11 anti-pay bills now in hopper. This week's bills were introduced by Reps. Radwan (R-N. Y.), Burdick (R-N. D.), Rogers (R-Mass.) & Springer (R-Ill.), the latter a member of House Commerce Committee. Rep. Mack (D-Ill.), also member of Committee, says he plans to introduce anti-subscription bill, and Rep. Zelenko (D-N. Y.) say he'll introduce bill to levy 25% tax on receipts of pay-TV attractions.

Inserting anti-pay-TV remarks in *Congressional Record* this week were Sen. Mansfield (D-Mont.) and Reps. Beamer (R-Ind.), Lane (D-Mass.) and McIntosh (R-Mich.). Rep. Wilson (R-Cal.) told Advertising Assn. of West convention at Coronado, Cal. that "pay TV will have a tougher row to hoe [in Congress] than statehood for Alaska and Hawaii."

On pro-subscription-TV front, pres. Sol Sagall of Teleglobe Pay-TV System Inc. this week wrote all Senators and Congressmen in behalf of his proposed "International Television University" via pay TV, in which he pleaded that "application of the pay-TV principle to education cannot and should not be the subject of controversy." His view, as stated to lawmakers, is that "FCC should remove any restrictions from the use of pay TV, by whatever system, by any station—vhf or uhf, anywhere in the country—provided the station in question will use pay TV for teaching and education."

Nation's large newspapers continued their drumbeat in favor of fee-TV trial. As culled by subscription proponent Zenith, these major papers—in addition to those listed last week (Vol. 14:4)—plugged editorially for pay-TV tests within last 2 weeks: *Cleveland Plain Dealer*, *Chicago Daily News*, *Denver Post*, *Providence Bulletin*. And King Features Syndicate (Hearst) columnist George Sokolsky this week pleaded to leave toll-TV decision "to the consumer."

Paramount's International Telemeter this week announced week-long demonstrations of its pay-TV system at Chicago's Conrad Hilton Hotel beginning Feb. 10, to which midwestern theatre owners have been invited. Special showing Feb. 11 will be closed-circuit boxing exhibition to be witnessed by members of Ill. Boxing Commission, sports writers, promoters, etc.

Regional baseball TV bans, frowned on now by Justice Dept. but sought by minor leagues whose gates suffer from telecasts of major club games (Vol. 14:3), could be negotiated by majors under exemptions written into new bill (HR-10378) approved by House Judiciary anti-trust subcommittee this week. Measure by Chairman Celler (D-N. Y.) would bring commercial aspects of pro sports under monopoly regulation but permit "reasonably necessary" agreements between clubs in specific geographic areas. Subcommittee spokesman told us one purpose of proposed exemption in bill—not yet acted on by full Judiciary Committee—is to encourage majors to adopt rule banning telecasts from cities where minor leagues are playing.

P. K. Wrigley, chewing gum tycoon who has dabbled in radio properties occasionally, reported to his Chicago Cubs stockholders this week that \$100,000 fees from TV rights kept club from going into red again last year. It earned only \$357, however, as against \$145,712 in 1956. It kept in black despite gate decline of \$40,000 and drop in attendance to 676,000 from 720,000.

Youngstown's WFMJ-TV & WFMJ add twin-engine plane for newsgathering to mobile TV-radio unit and phone-equipped station wagon.

Do You Know That . . .

POLITICAL FIGURES on the national, state and local scenes crop up fairly frequently (along with kin) in the ownership records of TV and/or radio stations—though not many appear as full owners or even as majority stockholders.

Whether in the cases of Senators or Congressmen this betokens conflict of interest, at least when they're not members of committees directly concerned with the FCC and radio regulation, is subject of frequent debate—though it might be argued that any legislator holding stock in any govt.-regulated enterprise, or in a newspaper enjoying the second-class mailing privilege, could be suspect on that score.

From where we sit, and having watched the Washington lobbies for 30-odd years, there would seem to be nothing untoward about their holdings in TV or radio stations so long as they don't use their high offices to exert undue influence or inveigle special favors. That most Senators and Congressmen lean over backwards in that respect is a well known fact; that some have overtly and covertly sought special FCC consideration is also an open secret.

This summary will deal only with people on Capitol Hill identified with station ownerships, as disclosed in FCC files; a later column will list an even more surprising number of present and past national, state and local officials with TV-radio interests.

* * * *

Congressional holdings were pointed up last week when Rep. Oren Harris (D-Ark.) sold his 25% interest in hometown KRBB, El Dorado (Ch. 10) for what he paid for it (\$5000) in order, as he stated, to squelch any idea of conflict of interest with his chairmanship of the House Commerce Committee. Week earlier, Rep. Alvin O'Konski (D-Wis.) sold his radio WOSA, Wausau, and FM station WLIN, Merrill, for \$225,000 (Vol. 14:3).

Senator Magnuson (D-Wash.), who heads committee having same function as Rep. Harris', has frequently been questioned about his interest (slightly over 4%) in upcoming new KIRO-TV, Seattle (Ch. 7), chiefly owned by Saul Haas, onetime district Collector of Internal Revenue.

Sen. Magnuson's predecessor as chairman of Senate Committee on Interstate Commerce, Ernest W. McFarland, now Democratic Governor of Arizona, is 40% owner of KVTX, Phoenix (Ch. 3) which he helped found. Another ex-chairman of same committee, Burton K. Wheeler, now practicing law in Washington, owns 2 radio stations—KRIZ, Phoenix & KTLN, Denver—with his 2 sons.

Sen. Robert F. Kerr (D-Okla.), millionaire oilman, with his family controls WEEK-TV, Peoria (Ch. 43) with radio WEEK and satellite WEEQ-TV, LaSalle, Ill. (Ch. 35); also owns about 35% of KVOO-TV, Tulsa (Ch. 2). Sen. Clinton P. Anderson (D-N.M.), who was Pres. Truman's Secy. of Agriculture, holds slightly more than 5% of stock of KGGM-TV, Albuquerque (Ch. 13) with radio KGGM & radio KVSF, Santa Fe.

Mrs. Lyndon Johnson (Lady Bird), wife of the Senate majority leader from Texas, owns 94.4% of the L. B. J. Co. and really masterminds the operations of its highly profitable KTBC-TV, Austin, Tex. (Ch. 7) with KTBC; L. B. J. Co. also owns 50% of KRGV-TV, Weslaco (Ch. 5) with KRGV, and 29% of KWTX-TV, Waco (Ch. 10) with KWTX, which in turn owns 50% of KBTX-TV, Bryant, Tex. (Ch. 3).

Wife of Sen. Joseph A. O'Mahoney (D-Wyo.) is a di-

rector and owns about 1/2 of 1% of stock in Cheyenne Newspapers Inc., newspaper chain which controls KFBC-TV there (Ch. 5) with KFBC; owns satellite KSTF, Scottsbluff, Neb. (Ch. 10); and owns radios KRAL, Rawlins & KVRS, Rock Springs, both Wyo.

Wife of Sen. John Sparkman (D-Ala.) owns 49% of radio WAVU, Albertville, Ala. Wife of Sen. Olin Johnston (D-S. C.) owns 25% of radio WFGN, Gaffney, S. C.

Sen. Wm. F. Knowland (R-Cal.), minority leader, is voting trustee in his family newspaper, *Oakland Tribune*, which owns pioneer radio KLV there. And, it might be noted, that Sen. Prescott Bush (R-Conn.) sat on board of directors of CBS Inc. when he was a Wall Street banker.

* * * *

On the House side, it's noteworthy that Rep. Paul G. Rogers (D-Fla.) once owned less than 1% of WJNO-TV, Palm Beach, now WPTV (Ch. 5). Rep. Joel T. Broyhill (R-Va.) and family once had small shareholdings in radio WFTR, Front Royal, Va. And while putting into *Congressional Record* this week a denial that he owns any TV interest, FCC records show that Rep. Chet Holifield (R-Cal.) holds about 2% of preferred stock in radio KXLA, Pasadena.

No Congressman actually controls any TV station—but Rep. Alvin M. Bentley (R-Mich.) owns 33 1/2% of WKNX-TV, Saginaw (Ch. 57) with WKNX. Rep. Francis P. Bolton (R-Ohio) votes about 5% of stock of *Cleveland Plain Dealer*, which owns radio WHK there and has 40% of WKBN-TV, Youngstown (Ch. 27) with WKBN. Rep. J. Floyd Breeding (R-Kan.) holds one qualifying share in KTVC, Ensign, Kan. (Ch. 6). Rep. Wm. M. Tuck (D-Va.) is a director and owns qualifying shares in Jefferson Standard Life Insurance Co., owner of WBTW, Charlotte (Ch. 3) with WBT; WBTW, Florence, S. C. (Ch. 8); and 16% of WFMV-TV, Greensboro, N. C. (Ch. 2) with 100% of radio WBIG, Greensboro.

Small holdings in small radio stations are those of Rep. Alvin R. Bush (R-Pa.), about 5% of WARC, Milton & WWPA, Williamsport; Rep. Paul C. Jones (D-Mo.), about 25%, his son & wife smaller amounts, of KBOA, Kennett, Mo.; Rep. Lee Metcalf (D-Mont.), about 7 1/2% of KCAP, Helena; Rep. Albert Rains (D-Ala.), about 30% of WGSV, Guntersville, Ala. Reps. Dean P. Taylor (R-N. Y.) and Leo W. O'Brien (D-N. Y.) own about 3% each in Lowell Thomas-controlled company operating WTEN, Albany (Ch. 10) with radio WROW; satellite WCDC, Adams, Mass. (Ch. 19); and WTVD, Durham-Raleigh, N. C. (Ch. 11).

There may be others, but if so they've escaped our researchers. We might mention, though, that Rep. Porter R. Hardy Jr. (D-Va.) is a voting trustee for 61 stockholders in WAVY-TV, Norfolk, Va. (Ch. 10) with WAVY; that Sen. Bricker (R-Ohio) is a trustee of Ohio State U, which operates educational WOSU-TV, Columbus (Ch. 34) with WOSU; that Sen. McNamara (D-Mich.) is on board of Wayne State U, Detroit, operating WDET-FM; that the mother of Rep. Melvin R. Laird (R-Wis.) is a regent of the U of Wisconsin, operator of WHA-TV, Madison (Ch. 21) with WHA; that Rep. Thomas Curtis (R-Mo.) is a trustee of Dartmouth College, holder of a local radio CP.

In the House, too, is Rep. "Charlie" Brown (D-Mo.), who owns the *Ozark Jubilee*, hillbilly show seen on ABC-TV; he was program director of radio KWTO, Springfield, Mo., when he defeated the veteran GOP Congressional leader Dewey Short in 1955.

Note: Ownerships of all TV stations are shown in our semi-annual *TV Factbook*, the 1958 Spring-Summer edition of which is due off presses in early March.

New & Upcoming Stations: Three new starters this week bring on-air total to 529 stations (91 of them uhf)—and, in addition, we have word that WROM-TV, Rome, Ga. (Ch. 9), silent pending FCC-authorized move to Chattanooga, Tenn., 54 miles away, will start operating in latter city as ABC outlet WTVC Feb. 11. The new starters:

WLOF-TV, Orlando, Fla. (Ch. 9) was to begin Feb. 1 as ABC-TV outlet, second station in community which WDBO-TV (Ch. 6) has served since June 1954. KRTX, Kennewick, Wash. (Ch. 25) began Jan. 28 as independent, second outlet in area served by KEPR-TV, Pasco (Ch. 19), satellite of KIMA-TV, Yakima (Ch. 29). [For further details about these stations, their ownership, personnel, rates, reps, see Vol. 14:4.]

WRIK-TV, Ponce, Puerto Rico (Ch. 7) got FCC program authorization Jan. 30 for start over week end as island's 5th outlet. It's 35 mi. from Mayaguez, 46 mi. from San Juan, separated by mountains that preclude good coverage from stations in those cities. It has 500-watt DuMont transmitter, with Alford antenna on 100-ft. tower on El Vigia Mt., near Ponce. Owners (½ each) are George A. Mayoral, pres. & chief engineer, also operator of WJMR-TV, New Orleans (Ch. 20 with experimental Ch. 12) who also has minority interest in WORA-TV, San Juan; Wm. Cortada, gen. mgr.; Luis A. Ferre, part owner of *Ponce El Dia*. Base hour is \$150, rep Forjoe.

New Chattanooga outlet was acquired from Dean Covington group by Martin Theatres of Georgia (Vol. 13:40, 44), operator of WTVM, Columbus, Ga. (Ch. 28). Reeve Owen, ex-WTVM, will be gen. mgr. of new WTVC; Joe Windsor, national sales mgr. for both WTVC & WTVM; S. L. Brooks, local sales mgr.; Jack Sausman, program director; Leon Webb, chief engineer. Base hour will be \$425, rep Meeker.

Next starters due: WBPZ-TV, Lock Haven, Pa. (Ch. 32); KIRO-TV, Seattle (Ch. 8), aiming for Feb. 8 start.

* * * *

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

WJCT, Jacksonville, Fla. (Ch. 7, educational) doesn't expect to have 5-kw GE transmitter, donated by WMBR-TV there, hooked up until late Feb., plans programming start about April 1, reports Heywood Dowling, pres. of grantee Educational Television Inc. It has Alford antenna on WFGA-TV tower at 843-ft. level. It will use WMBR-TV studios, but transmitter and film equipment will be located in WFGA-TV transmitter house.

KAYS-TV, Hays, Kan. (Ch. 7) plans start June 1 with ABC via private relay from KAKE-TV, Wichita (Ch. 10), reports mgr. & 49 ½% owner Robert E. Schmidt. Make of transmitter isn't reported, but its antenna height will be 748-ft. above ground. Base hour will be \$150. Rep (on sales with KAKE-TV) will be Katz.

WJMS-TV, Ironwood, Mich. (Ch. 12) plans fall start as satellite when private microwave link with parent WDMJ-TV, Marquette, Mich. (Ch. 6) is completed, reports owner Frank J. Russell, publisher of *Marquette Mining Journal*. CP was acquired from owners of radio WJMS (Vol. 14:2), but new call letters haven't been requested as yet. It has ordered 500-watt RCA transmitter, will use 300-ft. Ideco tower with 6-section superturnstile antenna. WDMJ-TV base hour is \$200. Rep is Weed.

Barrow Report Response: Total of 32 telecasting industry entities notified FCC this week that they want to take part in hearings on recommendations by Dean Roscoe Barrow's staff for changes in network business practices and relationships—slated to begin March 3 with testimony of networks (Vol. 14:2). Most also filed brief—and usually very sketchy—outlines of territory their testimony would cover.

Biggest burden of rebutting Barrow Report will fall to the networks themselves, of course, and the 3 TV networks filed imposing lists of witnesses, CBS listing corporate pres. Frank Stanton, CBS-TV pres. Merle S. Jones and v.p.'s Richard Salant & Wm. B. Lodge. NBC will have contingent of 13 headed by pres. Robert Sarnoff and including top network executives and heads of o-&o outlets. ABC will be represented by ABPT pres. Leonard Goldenson and 7 topkicks of network and owned stations.

Following extension of time granted last week by FCC to 2 CBS affiliate groups for filing of witness lists and outline of testimony (Vol. 14:4), Commission this week gave similar extension to Feb. 15 to NBC-TV Affiliates. At week's end, Select Committee of Affiliates of ABC TV Network asked 2-week extension for filing witness list and outline of testimony, and requested that its appearance at hearing be scheduled after April 15.

Industry associations filing intention of appearance were Station Representatives Assn. (7 witnesses) and Committee for Competitive TV (John W. English).

Stations and station groups (with witnesses) planning to testify: Storer Broadcasting Co. (George B. Storer); Corinthian Broadcasting Co. (C. Wrede Petersmeyer); Meredith Publishing Co. (Payson Hall); RKO Teleradio (Thomas F. O'Neil); KTTV, Los Angeles (Richard A. Moore); WKY-TV, Oklahoma City (P. A. Sugg); WWJ-TV, Detroit (Edwin K. Wheeler); KFDM-TV, Beaumont (C. B. Locke); WFLA-TV, Tampa (George W. Harvey); WCSH-TV, Portland, Me. (Wm. H. Rines); KVAR, Phoenix (Richard O. Lewis).

Also, WLAC-TV, Nashville (T. B. Baker Jr.); WAVE-TV, Portsmouth, Va. (Nathan Lord); WVEC-TV, Hampton, Va. (Thomas B. Chisman); KFRE-TV, Fresno (Paul R. Bartlett); Time Inc. stations (Weston C. Pullen Jr. & Hugh B. Terry); WAFB-TV, Baton Rouge (Dwight W. Martin); WMBD-TV, Peoria (Charles C. Caley); WDSU-TV, New Orleans (Edgar B. Stern Jr. and/or Robert D. Swezey); KUTV, Salt Lake City (George C. Hatch); KING-TV, Seattle (Mrs. A. Scott Bullitt & Otto B. Brandt); KFSA-TV, Ft. Smith, Ark. (Donald W. Reynolds); National Telefilm Assoc. (Ely Landau).

Formal transfer of KGEO-TV, Enid-Oklahoma City (Ch. 5) from former owners, headed by P. R. Banta, to L. E. Caster, new pres. & 75% owner, and Ashley L. Robison, secy.-treas. & 25% owner (Vol. 12:50), took place Jan. 22. Robison, also owner of 15% of WREX-TV, Rockford, Ill. (Ch. 12) and 100% of radio KOVO, Provo, Utah, is moving to Okla. to be gen. mgr. Caster is ex-pres. of WREX-TV, Rockford, Ill. (Ch. 12).

Facility changes: WSBT-TV, South Bend, Ind. (Ch. 34) switches to Ch. 22 Feb. 1; KEPR-TV, Pasco, Wash. (Ch. 19) boosted power to 143.6-kw Jan. 27.

Television Digest

with ELECTRONICS REPORTS
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Personal Notes: Edward Petry has recovered from mid-Jan. operation, returned to his desk this week after absence of about month . . . Emanuel (Manie) Sacks, NBC & RCA v.p., still seriously ill in Albert Einstein Memorial Hospital, Philadelphia, suffering from virus infection of bloodstream . . . Jack Barry promoted to operations mgr., WPST-TV, Miami; George Booker, ex-program director of WJHP-TV, Jacksonville, succeeds him as production mgr. . . . James W. Anderson, ex-WTTG, Washington, named national sales mgr. of NTA's KMGM-TV, Minneapolis-St. Paul, headquartering in N. Y., where he takes charge of national sales for other NTA stations as acquired . . . George Herro, ex-MBS, Chicago, named director of new midwest div. of Pulse Inc., headquartering in Tribune Tower, Chicago (phone, Superior 7-7140) . . . Morton A. Barrett promoted to secy. & sales development director, Geo. Bolling Co., reps . . . Bill Heaton named Chicago office mgr. of rep McGavren-Quinn Co. . . . Dean McCarthy promoted from program director to station mgr., WITI-TV, Milwaukee . . . Joe Boland, sports director of WSBT-TV & WSBT, South Bend, onetime Notre Dame All-American, named dir. of adv. promotion & press information, KGO-TV, Club . . . Lowell H. McMillan promoted to mgr. of radio WHEC, Rochester, reporting to Glover DeLaney, director of all Gannett TV-radio stations . . . George T. Rodman named dir. of adv. promotion & press information, KGO-TV, San Francisco . . . James Shannon, ex-Ketchum, MacLeod & Grove, Pittsburgh, named national sales rep of WIIC, same city . . . Charles C. Bevis Jr., gen. mgr. of WBUF, Buffalo, appointed to Gov. Averell Harriman's Citizens Council on Traffic Safety . . . Bill Tillery, from radio WHAS, Louisville, named WHAS-TV continuity director . . . Carl Loose promoted to promotion & merchandise mgr., WBOY-TV, Clarksburg, W. Va.; Dick Husted succeeds him as mgr. of radio WBOY . . . Robert Harris named merchandising & promotion director of WSTV-TV, Steubenville, O., succeeding Wm. McClinton . . . Donald J. Kramer, ex-WKAR-TV, E. Lansing, named asst. program & production mgr., WWJ-TV, Detroit . . . George Crandall, ex-CBS, named dir. public relations for National Telefilm

Assoc. . . . Ned Smith, ex-Raymond Spector Co., named a creative director at Transfilm Inc., N. Y. . . . Jay Scott, ex-Sonnenberg, elected pres., Robert S. Taplinger Assoc. . . . Robert Coleman, National Assn. of Educational Broadcasters treas., is composer of "Spartan Toast," published by Michigan State U in *Songs of Michigan State* . . . Robert Blake to dir. of press information, CBS-TV, Hollywood; James Kane from New York to Hollywood to head new publicity unit . . . Lew Polen, ex-RCA field service rep, appointed engineer-in-charge of technical facilities at KCOP, Los Angeles . . . Walter Baker, ex-WSUN-TV, St. Petersburg, named production mgr. of new WLOF-TV, Orlando, Fla. . . . Ray Eichmann resigns as sales development & research director of ABN to join NBC-TV as sales promotion & presentations director . . . Jackson B. Maurer named head of new office of Hamilton, Stubblefield, Twining & Assoc., station brokers, in Cleveland Terminal Tower.

Ex-Texas Gov. W. P. Hobby, 79, chairman of *Houston Post* (KPRC-TV & KPRC), underwent emergency throat operation Jan. 27, is reported in satisfactory condition. His wife, Oveta Culp Hobby, was President Eisenhower's first Secy. of Health, Education & Welfare.

NAB has picked CBS pres. Frank Stanton for annual Keynote Award to be given at April 29 Los Angeles convention session which he will address. Past winners: Brig. Gen. David Sarnoff, Wm. S. Paley, Mark Ethridge, Robert E. Kintner.

J. P. (Pat) Williams, WING, Dayton, named chairman, ABN affiliates advisory board, at N. Y. meeting this week.

Obituary

Robert D. Levitt, 47, who resigned in Dec. as pres. of NBC's California National Productions, was found dead Jan. 26 in summer home at East Hampton, N. Y. Longtime Hearst promotion executive, he joined Columbia Pictures' Screen Gems in 1955 as national sales director, was mgr. of NBC-TV films & merchandising before he was named head of NBC-TV film producing organization. He was with Hearst organization more than 20 years, becoming publisher of *American Weekly* and *Puck*, v.p. & director of Hearst Consolidated Newspapers Inc. and Hearst Publishing Co. Surviving are third wife Barbara, and son & daughter by first wife Ethel Merman, from whom he was divorced in 1952. Second marriage also ended in divorce.

Wm. Steinke, 72, "Jolly Bill" of pioneer children's radio & TV shows, died Jan. 29 at Orchard Beach, Me. convalescent home. He inaugurated children's show on WOR, Newark, in 1924, moved to NBC network in 1927; handled show on WNBC-TV for several years. Surviving are son, 3 daughters.

ADVERTISING AGENCIES: Ralph W. Smith promoted to corporate operations v.p., McCann-Erickson . . . Ken Boucher, ex-adv. mgr., Hawaiian Pineapple, named west coast v.p., Assn. of National Advertisers, 1048 Marcussen Dr., Menlo Park, Cal. . . . Cal J. McCarthy Jr., ex-Mac-Manus, John & Adams, named exec. v.p., Kelly-Nason . . . Lawrence Wisser, senior v.p., and Max Tendrich, exec. v.p., elected to board of Weiss & Geller . . . Richard Lockman, Emil Mogul v.p., & Revlon account supervisor, named gen. mgr. . . . James P. Ellis, ex-Kudner, son of J. H. S. Ellis, ex-Kudner pres., forms own Plandome Productions Inc. to specialize in films . . . Maitland Jones, ex-Sullivan, Stauffer, Colwell & Bayles, named v.p. & creative director of

Fletcher D. Richards . . . Robert R. Lindsey promoted to research director of BBDO, succeeding Ben Gedalia, who continues as research v.p. . . . Robert Widholm named senior broadcast buyer, Doherty, Clifford, Steers & Shenfield; Jack K. Carver & Samuel B. Vitt promoted to media supervisors . . . James Kaye, ex-Benton & Bowles, named TV-radio casting director of Grey Adv.; Richard S. Paige, ex-North Adv., named assoc. media director . . . Richard P. Jones promoted to media dept. mgr. of J. Walter Thompson, Ruth Jones to assoc. media director . . . David Hume named pres. of Hume, Smith, Mickelberry Adv., Miami, successor to August Dorr Assoc., with August J. Dorr, chm.; Bob Smith, v.p.-treas.; Wm. C. Mickelberry, v.p.-secy.

Phenomenal Rise of TV: From zero in 1948 (when statistics were too sparse to be gathered) to \$1.315 billion in 1957, or 12.6% of the nation's advertising budget—that's the story of TV's rise as an advertising medium. Its continuing rise is also pointed up in fact that 1957 figure, which embraces total expenditures by advertisers, not merely receipts by media, and therefore includes talent & production costs, is up 8.7% from the \$1,209,900,000 of 1956 and compares with a mere \$57,800,000 in 1949.

Figures for 1957 are the McCann-Erickson preliminary estimates, covering all media and prepared for the last 12 years for *Printers' Ink*. They're the work of the agency researchers under Robert Coen and are generally accepted as authoritative. They're carried as standard reference in the semi-annual *TV Factbooks* published by *Television Digest*, and the all-media tabulation in the forthcoming Spring-Summer Edition will date back to 1947 (though figures for TV are not given for 1947-48.)

Last year's TV expenditures broke down to \$667,000,000 for network, up 5.9% from 1956; \$367,000,000 for spot, up 12.9%; \$281,000,000 for local, up 10.1%. TV represents 12.6% of the take of all media, radio 6.2%—as against newspapers' 31.9%, direct mail's 14.4%, magazines' 8%.

Radio's total was \$506,400,000 in 1947, reached peak of \$624,100,000 in 1952, dropped steadily to \$544,900,000 in 1955, rose to \$567,000,000 in 1956 and jumped 14.3% to \$648,000,000 in 1957—an all-time high. Radio's 1957 revenue sources: local, \$380,000,000; spot, \$204,000,000; network, \$64,000,000. Here are 1956-57 comparison tables:

	1957		1956		% change in dollar volume 1957 vs. 1956
	Millions	% of Total	Millions	% of Total	
Newspapers					
total	\$3,325.0	31.9%	\$3,235.6	32.7%	+2.8%
national	825.0	7.9	788.9	8.0	+4.6
local	2,500.0	24.0	2,446.7	24.7	+2.2
Magazines					
total	830.0	8.0	794.7	8.0	+4.4
weeklies	469.0	4.5	439.5	4.4	+6.7
women's	165.0	1.6	165.6	1.7	-0.4
general	159.0	1.5	152.5	1.5	+4.3
farm, national	37.0	0.4	37.1	0.4	-0.3
TV					
total	1,315.0	12.6	1,209.9	12.3	+8.7
network	667.0	6.4	629.7	6.4	+5.9
spot	367.0	3.5	325.0	3.3	+12.9
local	281.0	2.7	255.2	2.6	+10.1
Radio					
total	648.0	6.2	567.0*	5.7	+14.3
network	64.0	0.6	60.5*	0.6	+5.8
spot	204.0	1.9	161.0*	1.6	+26.7
local	380.0	3.7	345.5*	3.5	+10.0
Farm publications					
regional	34.0	0.3	36.0	0.4	-5.6
Total farm publications**	(71.0)	(0.7)	(73.1)	(0.7)	-2.9
Direct mail	1,500.0	14.4	1,419.2	14.3	+5.7
Business papers	530.0	5.1	495.5	5.0	+7.0
Outdoor					
total	204.0	1.9	199.6	2.0	+2.2
national	138.0	1.3	134.7	1.3	+2.4
local	66.0	0.6	64.9	0.7	+1.7
Miscellaneous					
total	2,046.0	19.6	1,947.2	19.6	+5.1
national	1,179.0	11.3	1,116.4	11.3	+5.6
local	867.0	8.3	830.8	8.3	+4.4
Total national	6,304.0	60.4	5,925.6	59.8	+6.4
Total local	4,128.0	39.6	3,979.1	40.2	+3.7
GRAND TOTAL	\$10,432.0	100.0%	\$9,904.7	100.0%	+5.3

* Radio figures revised to agree with final financial figures reported by FCC for 1956. Detailed figures for TV have not yet been reported for 1956.

** Bracketed figures identify advertising directed to farm markets through national, regional & state farm publications. These figures are already contained in the other media total and are not to be added into national or local totals.

Increased use of TV in 1957 for retail advertising is noted in semi-annual survey of more than 2000 stores by National Retail Dry Goods Assn. Releasing results of study at N. Y. convention, executive v.p. J. Gordon Dakins said 53% of reporting stores used TV last year, 43% used more than in 1956; 23% used less, 34% made no change in budgets. Radio was used by 70% of reporting stores, of which 32% used more, 26% less, 42% no change. Note: Breweries are biggest user of syndicated programs, accounting for 16% of all markets, reports NBC subsidiary California National Productions v.p. H. Weller Keever; 1957 study shows they top all categories (though foods cumulatively run 31%) with 20 of 21 largest brewers, all in million-barrel class, sponsoring one or more NBC-TV film series. Of the 80 largest, 45 were sponsored; for all 218 in U. S., average is 33%. Study shows those not using TV film showed decline in output, including the one in million-barrel class.

Celebrated "Gaslight" case got hearing before U. S. Supreme Court this week as attorney for CBS, Jack Benny and sponsor American Tobacco Co. argued that TV parody on old MGM movie came under category of "fair use," just like literary criticism. Attorneys for Loew's Inc. had obtained injunction from lower court preventing showing of the filmed parody, arguing that the satire—entitled "Autolight"—was copyright violation. Representing appealing parties, Los Angeles attorney W. B. Carman stated that entire TV industry has stopped putting on parodies since Benny suit was filed. This prompted comment from Justice Frankfurter that TV is not a "brave industry."

NAB's proposed TV set census and station circulation audit (Vol. 13:38) was finally killed at last week's board meeting in Phoenix, its members obviously unwilling to support proposed \$1,000,000 annual program. Instead, TV board accepted TV audit circulation committee recommendation (Campbell Arnoux, WTAR-TV, Norfolk, chairman) merely to distribute findings on "new and superior standards of measuring TV circulation" resulting from 4-year committee study. Upcoming meeting of research committee (Hugh M. Beville, NBC, chairman) will decide what to reveal to member stations, networks, and recognized research organizations.

Strict regulation of TV commercials for medicinal products was urged this week by Dr. Morton J. Rodman of Rutgers U's College of Pharmacy—and he went on TV to make his arguments for controls. Speaking on *Report from Rutgers* from WATV, Newark, he said commercials for "many medicines" mislead viewers, presenting "distortion or outright lies." He insisted rules are needed "to prevent improper TV drug commercials [which] are as potentially dangerous as a loaded gun."

Newspaper ads were found most effective for movies by Opinion Research Corp., Princeton, N. J., reporting in survey for MPAA that 59% of persons queried recalled what they saw in newspapers vs. 40% recall for TV ads, 32% theatre signs, 30% magazine ads, 25% previews in theatres, 19% radio, 18% billboards. About 70% of \$65,000,000 spent annually on movie promotion now goes for newspaper space.

National Television Monitor Corp., 541 Lexington Ave., N. Y. (Plaza 3-3815), formed by Ken Jaffe, ex-adv. mgr. of Chunky Chocolate Co., offers reports on commercials at \$3 each in 72 markets, plans expansion to 150. More than 200 handicapped persons are employed.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

"IT'S TOTALLY UNTRUE, and I should know," was Edward J. Noble's comment on story in Jan. 29 *Variety* reporting that the ex-chairman, now chairman of finance committee of American Broadcasting-Paramount, was lining up opposition to management policies of AB-PT pres. Leonard H. Goldenson for proxy battle at annual stockholders' meeting in May. Showbiz journal reported he has backing of some large investment trusts with AB-PT holdings which object to Goldenson's "overoptimistic statements of what the company will do" and to retention of "too many unprofitable theatres in the UPT circuit for too long a period."

"I haven't thought along those lines at all," Noble told us. "There's been criticism, it's true, but nothing so serious but that it can be resolved. I know of no business where there isn't some element of disagreement." As for the substance of the story, he emphatically repeated: "It's totally untrue, and I haven't the slightest idea where it could have come from."

Noble, also chief executive officer of Beech-Nut Life Savers Inc., is a director and still one of largest stockholders in AB-PT. Last reports showed he owns 225,028 shares of preferred, 8949 common, his Edward J. Noble Foundation owning 16,740 preferred, 337,304 shares common. Goldenson was holder as of last April 3 of 52,450 common, he and wife an additional 250 common, and he held option on 25,000 common. His AB-PT remuneration for 1956 was \$181,000.

Former AB-PT v.p. and ABC pres. Robert E. Kintner, who resigned in Oct. 1956 and became an NBC director and its exec. v.p., and who was a protege of Noble's, is shown as having drawn \$125,000 salary in 1956 and as holder of employment agreement entitling him to an additional \$230,000 payable in 1957-60. He held option on 9500 shares of AB-PT stock, which was unexercised and has terminated.

Ft. Worth's WBAP-TV claims its 1½ hours of local live color daily puts it ahead of all other stations in amount of such colorcasting; operation is subject of article in current *Direction*, publication of Dallas IRE.

Rate increases: WFBM-TV, Indianapolis, Jan. 1 raised base hour from \$1200 to \$1300, min. \$225 to \$300. WHBF-TV, Rock Island, Ill. Feb. 1 raises hour from \$800 to \$900, min. \$200 to \$225. KVAL-TV, Eugene, Ore., Jan. 15, hour \$300 to \$360, min. \$60 to \$86, with combination hourly rate with KPIC, Roseburg, Ore. going from \$382.50 to \$434, min. \$76.50 to \$99. WEAT-TV, W. Palm Beach, Jan. 1, hour \$250 to \$300, min. \$50 to \$60. WLEX-TV, Lexington, Dec. 1, hour \$218.50 to \$284.05, min. \$35.65 to \$46.35. WROC-TV, Rochester, N. Y., Feb. 1, hour \$700 to \$800, min. \$175 to \$200. WKJG-TV, Ft. Wayne, Feb. 1, hour \$450 to \$500, min. \$90 to \$100.

Daytime Broadcasters Assn., with main order of business preparation of comments on FCC rule-making to extend operating hours (Vol. 13:51), holds annual convention Feb. 28-March 1 at St. Charles Hotel, New Orleans. Group reports stimulated interest in membership, now about 200, since rule-making started. Chairman is Ray Livesay, WLBH, Mattoon, Ill.; pres., Richard Adams, WKOX, Framingham, Mass.

Bartell stations' success story—"The Money-Makers of 'New Radio'"—is recounted in 5-p. article in Feb. *Fortune* reporting radio's "astonishing comeback since the turn of the decade." Writer Seymour Freedgood tells how pres. Gerald A. Bartell, of Madison, Wis., parlayed \$50,000 family investment in radio WEXT, Milwaukee, into 6-station \$5,000,000 chain in 10 years. Now, Bartell group (WOKY, Milwaukee; WYDE, Birmingham; WAKE, Atlanta; KCBQ, San Diego; KRUX, Phoenix; WILD, Boston) is billing at annual rate of \$3,000,000, according to article, which says Bartell's wall motto is: "Let's make nothing but money." Founder Bartell had been production mgr. of educational radio WHA at U of Wis. for 10 years before he moved into commercial operations in 1947, using music-&-news format "slickly tailored" to local audiences. Top management includes brothers Lee, David & Mel, sister Rosa, her husband Ralph Evans. Says *Fortune*: Together they've made Bartell Stations "a leader among the independents now muscling network radio out of major markets."

TV's educational value is proven by WCBS-TV, N. Y., according to Jan. 21 *N. Y. Herald Tribune* editorial which noted that only 23 of original TV class of 177 students dropped out of NYU's *Sunrise Semester* series—and more than 100,000 non-academic viewers followed 6:30-7 a.m. course in comparative literature (Vol. 14:2). Said editorial: "It makes you wonder whether TV hasn't a more important job to do in these times than parading bopsters & quizzers across the wide, wide screen."

Background music boom—"one of the fastest growing enterprises in the nation today"—is delineated in lead story in Jan. 13 *Billboard*, which says more than 50,000,000 Americans hear it daily, that nearly 100 FM stations supply background service. This is in addition to wired systems and self-contained on-the-spot record systems.

TV's hardy perennials: In commercial network's first 10 years, 35 sponsors have stayed with TV from the beginning "and still provide the hard core of prime time sponsorship," notes Jan. 13 *Billboard*. There are 20 programs on the networks, 17% of total network night shows, which have been running more than 5 years, says Jan. 15 *Variety*.

Harry Bannister, NBC v.p. for station relations, is author of article "Broadcasters and Educators" in Dec. *Journal of National Assn. of Educational Broadcasters*. He urges educators to use commercial TV's potential.

KFBB-TV, Great Falls, Mont. (Ch. 5) and KFBB have been sold by pres. Joseph P. Wilkins and associates to E. B. Craney and Arthur Schwieder for approximately \$760,000. Craney operates KXLF-TV, Butte (Ch. 4); satellite KXLJ-TV, Helena (Ch. 12); Z-Bar Net, consisting of 5 Mont. AMs. Purchase of KFBB stations requires Craney to dispose of KXLK, Great Falls. Schwieder is pres. & 7.8% owner of KID-TV, Idaho Falls, Ida. (Ch. 3). Broker was Hamilton, Stubblefield, Twining & Assoc.

Transfer of CP for KWSL, North Platte, Neb. (Ch. 2) from Ray J. Williams, Franklin R. Stewart & Alvin E. Larsen Jr. to local business group headed by attorney Rush C. Clarke (Vol. 14:1) was approved this week by FCC. Consideration was \$5000.

New reps: WITI-TV, Milwaukee, to Blair (from Branham); WISE-TV, Asheville, N. C. to Broadcast Time Sales (from Bolling); WORA-TV, Mayaguez, P.R. to Inter-American Publications (from Intercontinental).

George V. Allen was confirmed by Senate Jan. 27 as USIA director.

HOW BIG THE REPLACEMENT MARKET: Sylvania research director Frank Mansfield, whose semi-annual statistical tables are becoming standard guideposts, tells us now that there were 46,120,000 TV sets-in-use in the U.S. at the end of 1957; that of these 11,233,000 were 16-18-in. models -- 9,718,000 of which were more than 5 years old; that 2,932,000 were 15-in.-or-smaller models -- nearly all more than 5 years old.

Assuming the 16-18-in. models have been obsoleted by later, larger and even cheaper units, and assuming that 5 years is a reasonable span of life for any TV receiver -- you can readily calculate that replacement market for these units alone could exceed 12,000,000. Say half the owners persist in clinging to most of their old small-screen sets -- it's still an enormous replacement market.

That's not all. There's scrappage, which Mansfield shows totaled 3,154,000 sets of all sizes in 1957, up from 1,915,000 in 1956 and 1,786,000 in 1955. If that rate of discard continues, some 3,450,000 may be junked in 1958.

Researcher Mansfield gives us the statistical base for this obvious conclusion in updating his estimates of TV sets produced, sold and in-use which have been a standard reference table in our semi-annual TV Factbooks, next edition of which will be ready in about 4 weeks. His tables cover 1955 through 1957 by quarters.

* * * *

The Mansfield tables show that 19-21-in. screen sizes increased their share of 1957's 6,621,000 production total to 60.8% from 58.3% in 1956; that 22-in.-&-larger sizes slipped to 5.6% from 8.6% in 1956; that 16-18-in. dropped to 2.6% from 5.8%; that color TVs increased to 3% of total production mix from 2%.

Portables make up the remainder -- totaling 28%, up from 25.3% in 1956. And within portable mix, a radical shift in screen-size dominance took place over the 2 years. The 16-18-in. portables jumped to 21% of total production in 1957 from 6.9% in 1956; the 15-in.-&-smaller portables dropped to 7% from 18.4%. Thus, it's apparent the 14-in. portable isn't dead yet -- though it certainly is dying.

Color statistics aren't very reassuring. Mansfield estimates that, of the 200,000 color sets produced in 1957, some 60,000 were still in dealers' hands at year's end as against only 20,000 at the end of 1956 (when 150,000 were produced.) Dealer color inventory thus amounted to 30% of production vs. 13.4% at end of 1956. Table also shows that distributors sold 170,000 color sets, suggesting additional 30,000 inventory at wholesale -- but table gives no indication of what inventory might also exist at manufacturing level at year end.

Over-all TV inventory at the dealer level is in good shape, according to the Mansfield tables -- total at end of 1957 being 860,000 (13% of year's production) vs. 1,105,000 at end of 1956 (14.6%). In 1957, dealers sold 6,764,000 sets compared to production of 6,621,000 (EIA's production estimate was 6,421,000); in 1956, they sold 6,925,000 compared to production of 7,537,000.

Note: NBC research department estimates 41,800,000 TV homes out of total U.S. 50,100,000 homes (83.5% saturation), with 3,800,000 secondary sets in these homes and 1,400,000 in public places -- for total of 47,000,000 sets-in-use at year's end.

* * * *

TV-Radio Production: TV set production was 103,444 in week ended Jan. 24 vs. 108,806 preceding week & 114,597 in 1957 week. Year's 3rd week brought production to 326,642 vs. 338,987 last year. Radio production was 232,845 (80,036 auto) vs. 239,133 (99,578 auto) in preceding week & 304,540 (139,673 auto) last year. For 3 weeks, production totaled 688,902 (266,184 auto) vs. 747,900 (379,070 auto).

Westrex System Okayed: TV-radio-hi-fi makers can now proceed in readying phono lines for coming of stereo records (Vol. 14:2) with assurance that all segments of industry have united in choice of a single system of cutting the new disc. Engineering study committees of both Record Industry Assn. of America, comprising all the major record labels, and Electronic Industries Assn., most of the major phonograph manufacturers, have recommended to their executive boards adoption of the Westrex system as industry standard. Although RIAA executive committee won't act finally until Feb. 7 meeting, ultimate approval is considered a mere formality since the engineers have already indicated their preference.

Until now the phono makers have had to guess (Vol. 14:4) which standard the record makers would choose in order to plan instruments on which stereo records could be played. Parts suppliers have had to guess, too, in order to supply fundamental cartridges to phono makers.

Next question is when stereo records will be brought to market by the major labels. Trade talk is that target dates for initial introduction will center on the National Assn. of Music Merchants Music Show in Chicago in July.

Though record firms have not released their plans, general belief is that stereo records will be arriving in the fall. The pioneer—Audio Fidelity Records—has followed up its first (Dec.) offering with 4 more for Feb. release priced at \$6.95, or \$1 more than its standard monaural LPs.

Now known officially as the "45-45 system," what the Westrex system attempts to do is bring stereophonic sound—until recently available on tape only—to the phonograph record. Once records are available, the phono industry presumably will have a new market for instruments. Time alone will tell whether the popularity of stereo records will open up a mass market.

Total 1957 TV sales for 7 of 8 regions reported by local electrical leagues & utilities were down 0.8% to 16%. Regions reporting: **Chicago**—Distributors sold 287,452 TVs in 1957 vs. 302,491 in 1956; 24,751 in Dec. 1957 vs. 38,350 in Dec. 1956. **Washington, D. C.**—Distributors sold 69,537 TVs in 1957 vs. 73,473 in 1956; 5930 TVs in Dec. vs. 7856; 99,850 radios in 1957 vs. 101,605 in 1956; 19,871 radios in Dec. vs. 17,697. **San Francisco and 11 surrounding communities**—Dealers sold 136,117 TVs in 11 months of 1957 vs. 146,104 in 1956 period; 99,328 radios vs. 89,794. **San Francisco proper**—Dealers sold 30,978 TVs in 11 months of 1957 vs. 34,079 in 1956 period; 24,687 radios vs. 25,210. **East Bay**—Dealers sold 29,692 TVs in 11 months of 1957 vs. 28,993; 12,929 radios vs. 9652. **St. Louis**—Distributor sales of black-&-white TVs for 11 months of 1957 were 57,915 vs. 54,655; color sales were 1994 vs. 912; Nov. TV sales were 8241 vs. 7903, color TVs 163 vs. 136. **Denver**—Distributors sold 73,362 TVs in 1957 vs. 73,814 in 1956; 8226 in Dec. vs. 8959. **Philadelphia**—Distributors sold 160,182 TVs in 1957 vs. 190,821 in 1956; 14,417 TVs in Dec. vs. 18,081. **El Paso**—Dealers sold 15,066 TVs in 1957 vs. 16,785 in 1956; 1781 TVs in Dec. vs. 1712. **Western Pa.**—Dealers sold 27,362 TVs in 1957 vs. 27,920 in 1956; 3255 TVs in Dec. vs. 3807; 23,281 radios in 1957 vs. 24,423 in 1956 period; 6286 radios in Dec. vs. 6962.

Two billionth electron tube produced by RCA came off Harrison, N. J. assembly line this week, consigned to Los Angeles for use in new Navy defensive system.

What the 45-45 system does is put 2 tracks of sound in a record groove. The familiar LP puts one track in the groove—the same sound on both legs of the groove's "V." When the needle (0.7-mil needle compared to the familiar 1-mil needle) traces stereo V, it picks up both tracks, sending one track through one amplifier and speaker, other through a second amplifier and speaker.

Now that the standard has virtually been set, secondary engineering standards must be established by both phono makers and record makers. However, these are felt to be design details which will be ironed out in time to get both records and playing equipment to market by fall.

Stereo Radio, Too: Another brand new equipment market seems to be shaping up as companion to anticipated stereo record-player development—stereo-multiplexed FM. Stereophonic radio transmissions are nothing new—more than a dozen stations already have regular stereo broadcasts using combination of AM & FM, and combination AM-FM tuners with 2-channel amplifiers to pick up these broadcasts have been on market for several years. But industry is now beginning to think seriously about multiplexed FM channels as best bet for stereo radio. Equipment industry is perking up its ears to reports such as the one by Capt. W. G. H. Finch's WGHF (FM), Brookfield, Conn., which for 7 months has been transmitting 2-channel hi-fi stereophonic programs and single channel of functional music, all on same frequency, using transmitting and receiving equipment developed by Multiplex Services Corp. (Vol. 13:29). Second station to use multiplexed stereo FM will be Fordham U's WFUV, which recently received FCC authorization for experimental multiplexing and plans 2 hours of stereo music daily (Vol. 13:52). Most conventional FM tuners can be converted for multiplex reception, manufacturers point out, quoting expected prices ranging from \$15 to \$100 for required filter circuits.

Belmont Radio Corp., 4937 W. Fullerton Ave., Chicago 39, onetime TV-radio branch of Raytheon, has been revived as manufacturers' rep for electronic equipment, emphasizing private-label selling for Symphonic Radio (phonos, tape recorders, hi-fi) which will soon also sell a private-label portable transistor radio. Belmont group includes Harold C. Mattes, pres.; L. R. O'Brien, v.p.; Allen Henry, secy.-treas.—all formerly with old Belmont Co. which handled Hallicrafters' private-label TV-radios until it recently went out of that field

"Fashions in Color Festival," joint duPont-RCA promotion, is 40-city dept. store tour by mobile color unit starting week of Feb. 2 at Watt & Shand store, Lancaster, Pa. RCA receivers and garments made of duPont fibers will be demonstrated 4 times daily for 4 days at each store—similar to the RCA-duPont-Allied Stores 1956-57 "color caravan" promotion (Vol. 12:38). Unit has master of ceremonies and 2 technicians, carries complete color camera chain, 6 sets.

Zenith ad account for TV-radio-hi-fi, said to be in excess of \$2,000,000 billings, goes to Foote, Cone & Belding from Earle Ludgin & Co.; hearing aids, estimated at \$1,000,000 billings, remain with MacFarland, Aveyard.

Advantages of luminous frames around picture tubes are described in *Philips Technical Review* by Dr. J. J. Balder, copies available from N. V. Philips, Eindhoven, Holland.

Trade Personals: Wm. Carlin promoted to mgr. of DuMont TV tube div., succeeding Alfred Y. Bentley, to be reassigned . . . Cole H. Pilcher promoted to Sylvania v.p.-industrial relations and George W. Griffin Jr. to v.p.-public relations . . . Charles M. Odorizzi, RCA exec. v.p.-sales & service, in Mexico City this week and next on factory inspection tour . . . Meade Brunet, RCA staff v.p.-sales & service, named chairman of U. S. executive committee of Business Council for International Understanding, which now has 80 U. S. member firms . . . A. D. Theil named Hot-point field service mgr. to head appliance-TV regional service organization now expanded 50% to include 16 field technical specialists and 6 product service regions. Regional field service mgrs.: F. V. Leeds, Philadelphia; E. L. Wilson, Atlanta; C. G. Dean, Cleveland; G. J. McCaffery, Chicago; E. E. Whitney, Dallas; P. F. Butler, San Francisco . . . Thomas J. Johnson promoted to district rep for hi-fi components, Stromberg-Carlson, with headquarters 1002 E. Chicago st., Valparaiso, Ind. . . Morton Mendes, asst. to Sidney Ludwig, pres. of Tenna Mfg. Co., Cleveland, promoted to exec. v.p.; Harvey Ludwig, automotive div. sales mgr., to sales & adv. v.p.; Stanley R. Goss to electronic distributors sales mgr.; Max Bauer, ex-*Jobber News*, named asst. sales mgr. . . Joseph Sherman named to handle artists & repertoire for Epic Records, Columbia subsidiary.

DISTRIBUTOR NOTES: GE combines supervision of N. Y. & Bloomfield appliances branches under G. R. Brownback, gen. mgr. of N. Y. branch. Joseph E. Horak, ex-mgr., Bloomfield, promoted to mgr. of distribution research of new sales & distribution dept. at Louisville; Wm. Hecox, ex-N. Y. TV sales mgr., succeeds him as Bloomfield branch mgr., John Young succeeding Hecox. Francis B. Hanlon, ex-TV factory rep in eastern territory, moves into N. Y. branch as mgr. of dealer sales . . . GE names Robert R. Strachan, ex-GESCO, as mgr. of new appliances sales district, Salt Lake City . . . All-State Distributing, Newark (Webcor, Majestic-Grundig) promotes Irwin Fink to v.p.-sales; names Milton M. Sarnoff controller . . . Majestic International appoints Sanford Electronics, N. Y., and All-State Distributing, Newark, for Majestic-Grundig radios & radio-phonos, both firms dropping Telefunken; American Elite, N. Y., names Mytelka & Rose, Newark, for Telefunken, and will service N. Y. dealers direct from its own offices there instead of replacing Sanford . . . American Gelo appoints Carell Distributing Co., Glen Ridge, N. J. for its Gelo (Italian) tape recorder . . . Mercury Records appoints Joseph M. Zamoiski Co., Washington-Baltimore (Zenith) replacing Schwartz Bros.; Herb Silverman will manage dept.

"Minute Man of 1958," its highest honor, will be bestowed at Feb. 8 Washington banquet of Reserve Officers Assn. on Brig. Gen. David Sarnoff, RCA's much-decorated chairman.

Dr. Lee DeForest, 84, was operated on for bladder tumor in Santa Monica (Cal.) hospital Jan. 29, is reported doing nicely. Present business address of the noted inventor: 1027 N. Highland Ave., Los Angeles 28.

Obituary

Otto H. Hofman, v.p. & secy. of General Magnetic Corp., died suddenly Jan. 27 in Detroit. Surviving are widow, 2 daughters, brother.

ELECTRONICS PERSONALS: Maj. Gen. Albert Boyd, USAF ret., elected Westinghouse v.p. & gen. mgr., defense products div. . . Rear Adm. Daniel F. J. Shea, USN ret., resigns as v.p. & director of Hazeltine Research Inc., which he left the service to join in 1948; he becomes v.p. of Traveler Radio Corp., Chicago . . . Victor Emanuel, Avco chairman, appointed by President Eisenhower to U. S. Air Force Academy board of visitors; he's trustee of Cornell U and U of Dayton . . . Dr. Franklin E. Lowance, ex-Westinghouse Air Brake, named engineering v.p. of Avco Crosley div., succeeding Clarence G. Felix, recently named to new post of marketing v.p. . . Irwin A. Binder, ex-Thompson Products, named mfg. v.p. of Ramo-Wooldridge . . . Martin T. Zegel promoted to product planning mgr., Stromberg-Carlson special products div.; Wm. E. Cutler succeeds him as commercial products sales mgr. . . Donald R. Rogers named sales mgr. of GE missile & ordnance systems dept., Washington district; Richard Hardy & Frank Tiernan named sales engineers . . . Erik Hagglund elected pres. of Kanthal Corp. succeeding Hans Van Kantzow who continues as chairman . . . Bruce E. Vinckelmulder promoted to asst. gen. sales mgr. of Centralab; Gerry Mills succeeds him as distributor div. sales mgr.

Latest FCC assignments to inter-agency groups (second-named is alternate): Telecommunications Coordinating Committee, Doerfer & Craven; Telecommunications Planning Committee, Craven & Hyde; Air Coordinating Committee, Lee & Ford; Radio Technical Commission for Marine Services, Bartley; Radio Technical Commission for Aeronautics, Lee & Bartley; Telecommunications Advisory Board, Hyde & Craven; Defense Commissioner, Lee & Bartley; Liaison with ODM, Craven & Ford. Telephone & Telegraph Committees comprise Hyde, Bartley & Mack, with Ford alternate.

Department of Commerce's Business & Defense Services Administration unit of National Defense Executive Reserve adds 7 from electronics industry to its 558 civilian membership. They're H. Myrl Stearns, Varian Assoc.; David L. Bell, P. R. Mallory; Richard T. Orth, Sanders Assoc.; Richard C. Lipps, Westinghouse, Buffalo; Arnold Malkan, General Transistor; Edwin W. Peterson, RCA Communications; Stanley E. Jarosh, Westinghouse, Washington.

New RCA engineering awards—David Sarnoff Outstanding Achievement Award in Science & Engineering—were bestowed for first time this week on Dr. Albert Rose of RCA Labs and David K. Barton of RCA Defense Electronic Products. Rose's citation is for basic contributions to photoelectronic phenomenon, including work on camera tubes; Barton's is for contributions to precise tracking radar.

Canadian distributors' TV sales for first 11 months of 1957 fell to 426,356 from 561,590 in same 1956 period—Nov. sales dipping to 60,481 from 63,250. The 11-mo. figures by provinces as reported by RETMA of Canada: Ont., 158,131; Que., 113,688; B. C., 37,877; Alta., 35,469; Man., 27,869; N. S., 18,166; Sask., 19,400; N. B. & P. E. I., 12,663; Nfld., 3093.

Tape recorder service manual, first of new series, is available from Howard W. Sams & Co., Indianapolis. Covering 7 basic tape recorder chassis & 2 tape players produced in 1956-1957, 148-p. TR-1 costs \$2.95. Also available is new automatic record changer manual, RC-10, at \$2.95.

Transparent CRT Ready: Another electronic breakthrough—with eventual TV implications—is GE's announcement this week that it is now marketing transparent-screen cathode ray tubes for industrial and military applications. Significance of new product is this: Unlike previously announced transparent phosphors (Vol. 13:17-18), GE's can be applied at relatively low temperatures on conventional CR tube glass.

Advantages of transparent phosphors: Vastly greater resolution than conventional picture tube phosphor material (20-1 theoretical improvement); no reflection from tube face, resulting in excellent contrast; resistance to phosphor screen burn-out; lack of snow caused by variation of light output by standard phosphors.

As to TV applications of new phosphor, GE industrial & military engineering mgr. Channing Dichter told us his company sees "no immediate need" for transparent home screens. Principal application, he predicted, would be in "true portable" sets, since transparent-screen tubes may be viewed outdoors without loss of contrast. Since "true portable" still awaits further transistor and battery development as well as considerable production and cost engineering, he saw development of transparent screens for TV as no rush job.

He pointed out that no white phosphor has been developed for the process—current models using yellow, green or blue—though he said job should not be too difficult. He added that inherently the transparent phosphor process needn't be expensive, could be engineered for mass output.

For radar and other military displays, GE is showing 2-color transparent tubes, the phosphors being applied in separate layers. Dichter himself was bearish on possibilities of using this type tube (called "Penetron" by GE) with current color system because of rapid switching rate required by NTSC system—color changes in transparent tube being produced by changing operating voltage of cathode ray beam.

CBS-Hytron sells Kalamazoo plant, originally built to produce black-&-white and color TV tubes, to Brunswick-Balke-Collender.

TV-Radio Reciprocal Trade: CBS-TV's celebrated *Face the Nation* interview last June with Communist boss Nikita Khrushchev (Vol. 13:23 et seq) paid off this week in much-headlined major U. S.-Soviet accord. Cultural-scientific-agricultural exchange agreement, including "in principle" terms for TV-radio program exchanges (Vol. 14:4), was signed at end of 3 months' negotiations initiated as result of CBS-TV show. But there was little likelihood of any immediate implementation of TV-radio part of pact by either U. S. or USSR—it being left to "working level" diplomatic discussions with no date set for even starting them. When they are started, U. S. end will be handled by USIA, working with its Broadcast Advisory Committee, representing industry here. "Letter of understanding" accompanying U. S.-USSR agreement made it plain that either could veto any TV-radio program proposed by the other. Texts must be submitted in advance; they'll be kept off air if either side thinks "effect of any such broadcast will not contribute to a betterment of relations." USSR also said it will continue to jam Voice of America at will despite U. S. protests.

Foreign TV highlights: (1) Cumulative Canadian TV sales to dealers reached 3,000,000-mark this week. (2) Japan's 8 leading TV manufacturers reportedly are co-operating on plans to produce low-cost (around \$110) 14-in. "people's receiver" for which Govt. has offered to remove consumer taxes. Japanese TV production for year ending next March 31 is expected to total 600,000 sets; predicted output for 1958-59 is 900,000. (3) Australian TV production for 1957 is estimated at 200,000 vs. less than 50,000 in 1956. (4) Tiny El Salvador's TV imports were valued at \$17,100 in first half of 1957, U. S. supplying 83%, Netherlands 17%.

TV tube misrepresentation charge was filed by FTC this week against 4 Harrison, N. J. firms who allegedly advertise factory rejects, seconds and tubes taken from used TVs as "new stock of first quality Teltron tubes . . ." Complaint also charges that partners Sidney & Jack Fink, who trade as Major Brand Tube Co., Teltron Electric Co., Video Electric Co. & Solar Electronics—all of 428 Harrison Ave.—describe picture tubes as "brand new" while using used envelopes or shells. Hearing is set for March 13 in N. Y.

Ulysses A. Sanabria, TV pioneer and ex-mfr. of TVs and tubes, now operating as DeForest-Sanabria Corp., Chicago, proposes a sort of TV-appliances "stock exchange" through which brand products can be purchased by consumers at discounts, in page ad in Jan. 6 *Chicago Sun-Times* containing coupon for consumer membership (free) in projected Great Names Brand Exchange, 1522 W. Lawrence Ave., Chicago.

Another movie major moves into phono record business as 20th Century-Fox announces it's setting up subsidiary in next few months. MGM was first to enter record business 10 years ago; Paramount bought Dot Records early in 1957; United Artists set up own company late in 1957. Columbia Pictures this week reported it is buying Imperial Records for \$5,000,000, Lou Chudd, founder-pres. of Imperial, to head new Columbia div.

GE's annual Edison Radio Amateur Award for public service went to James E. Harrington, K5BQT, Lake Charles, La. Winning over 48 nominee "hams" from 25 states, 45-year-old Harrington was cited for providing sole means of communication in and out of devastated Cameron, La. during first 3 days of rescue operations following Hurricane Audrey.

Expansion of Mexican TV network is in the works, with site surveys now being conducted for location of 2 stations in Guadalajara (Ch. 2 & 4), to be connected with Mexico City by microwave. Interconnected stations are also due in spring at Ciudad Obregon and Hermosillo, both on Pacific Coast. Non-interconnected station in Torreon will use 1-kw Philco transmitter.

French-controlled commercial TV station Telesaar in Saarbruecken was shut down by German police after defying Bonn govt. order to go off air because it was interfering with German state-controlled stations. Operating on French 819-line standards, Telesaar frequency overlaps with new 625-line outlet recently built by German Saar-laendischer Rundfunk.

Cuban hazards for TV performers assigned to American programs originating there must be covered by \$300,000 life insurance policies, AFTRA notified networks this week. Due to political unrest & violence in Cuba, union's ruling calls for insurance compensating for loss of sight, limbs or other injuries as well as death. Disability coverage would provide actors \$200 per week for incapacitation.

Court Digs Into Docket: While FCC was preoccupied with Moulder subcommittee charges (see p. 2), thus handling light agenda this week, Court of Appeals managed to clear 2 cases:

(1) After agreement by parties, court dismissed appeal of Veterans Bestg. Co., which had been fighting shift of WTEN from Ch. 41 to Ch. 10 in Albany. Veterans is applicant for the dropped-in Ch. 10, had protested FCC's grant of authority to WTEN (then WCDA) to operate temporarily on Ch. 10 pending comparative hearing; Commission dismissed protest and Veterans appealed.

(2) Court of Appeals dismissed appeal of Theodore Granik & Wm. H. Cook involving sale of WESH-TV (Ch. 2) & radio WMFJ, Daytona Beach (Vol. 13:5). They had protested sale of stations to other interests, asserting they had prior contract to buy. Commission had dismissed protest, and Granik & Cook had appealed.

WTVO, Rockford, Ill. (Ch. 9) this week appealed FCC's dismissal of its protest against sale of WREX-TV, Rockford (Ch. 13) [Vol. 13:44], asserting its pending deintermixture petition might be prejudiced by change in ownership of its vhf competitor.

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Allocations activity: (1) Maximum Service Telecasters, alert to any attempt to cut station spacings, filed opposition to proposal of KCOR-TV, San Antonio (Ch. 41) to add Ch. 2 to San Antonio by cutting co-channel spacing with KPRC-TV, Houston, from required 220-mi. minimum to 183 mi. San Antonio Council for Educational TV opposed KCOR-TV's proposal to share educational Ch. 9. (2) FCC finalized substitution of Ch. 80 for Ch. 70 in Bradford, Pa., making Ch. 70 available for translator use in No. Warren, Pa.

Sole CP was for Ch. 73 translator in Palmerton, Pa. Commission decided to hold up Ch. 70 translator CP granted radio WHDL, Olean, N. Y., and it designated for hearing James E. Peaden's application for Ch. 74, Twenty-nine Palms, Cal., on question of finances.

Renewal of license of WMUR-TV, Manchester, N. H. (Ch. 9) was recommended by examiner Jay A. Kyle, after competitor TV for New Hampshire Inc. dismissed.

Two applications for TV stations were filed with FCC this week, bringing total to 122 (30 uhf). Applications: For Portland, Ore., Ch. 2, by *Oregon Journal*; for Lubbock, Tex., Ch. 5, by owners of KDAV there. No translator applications were filed this week. [For details, see *TV Addenda 26-A* herewith.]

Canon 35 was invoked against WDAU-TV and radio WGBI, Scranton, in refusal by Lackawanna County Court Judge Hoban to permit them to cover trial of suit involving city budget. Citing American Bar Assn.'s anti-broadcasting rule, judge said court "must adhere to our judicial standards," that courtrooms aren't adapted for broadcasting proceedings.

Among TV papers scheduled for special TV session Feb. 4 of American Institute of Electrical Engineers winter general meeting Feb. 2-7 at Hotel Statler, N. Y.: Live-pickup vidicon camera, by RCA's F. W. Millspaugh & J. H. Roe; effects of local conditions on TV receiver design, by Philco's Ernest Freeland; engineering for off-the-air TV service in southern Cal., by Pacific T&T's E. Dale Barcus; new industrial TV camera system, by RCA's J. E. Dilley & G. A. Senior; dial-selected industrial TV

Tower Rule-Making Postponed: Responding to plea by ABC that it has been working overtime preparing for Congressional hearings on pay TV and FCC's network study hearings, Commission this week extended to Feb. 10 the deadline for filing comments on its proposal to require location of towers on antenna farms and to incorporate Joint Industry-Govt. Tall Structure Committee (JIGTSC) criteria into rules (Vol. 13:22-23). Among comments already received: Favoring proposals, either totally or substantially, were CBS, FCBA & Meredith stations. Requesting that FCC wait for finalization of JIGTSC criteria next June were NBC, AFCCE, MST. Opposing proposals, either totally or substantially, were consulting engineer A. Earl Cullum; WTSP-TV, St. Petersburg; KHQ-TV, Spokane; WJTV, Jackson, Miss.; Miami applicant Publix TV Corp.; U of Ga.

Louisville's WHAS-TV, continuing its 5-year effort to find new tower site acceptable to aviation authorities (Vol. 13:9, 13, 26), has invited competitor WAVE-TV to share its new proposed tower. Proposal was made Jan. 25 by WHAS-TV v.p.-director Victor A. Sholis in letter to WAVE-TV gen. mgr. Nathan Lord, quoting statement by attorney for State of Kentucky filed with N. Y. airspace subcommittee stating WAVE-TV would be "required by the forces of competition" to relocate its tower if WHAS-TV receives permission to erect new tower. Airspace subcommittee last month recommended rejection of WHAS-TV's proposed 1860-ft. tower; Washington Airspace Panel will consider request Feb. 11.

Anti-trust suit for \$1,008,112 by Syracuse Bestg. Corp. (radio WNDR) against Samuel I. Newhouse newspapers & radio WSYR in Syracuse, alleging conspiracy to restrain trade in advertising, has been dismissed for second time by District Court Judge Stephen W. Brennan. WNDR complained in 5-year-old action that *Syracuse Herald-Journal* and *Post-Standard* refused to accept advertising unless time on WSYR also was bought. Judge Brennan dismissed case in 1955, but year later Circuit Court ordered it returned for trial, although agreeing that WNDR's charges of monopoly and violation of anti-merger & interlocking directorate laws should be dropped. In second dismissal, Judge Brennan said WNDR had failed to substantiate restraint-of-trade complaint.

RCA shipped used 5-kw transmitter Dec. 31 to upcoming KHUM-TV, Eureka, Cal. (Ch. 6), due in March; 25-kw amplifier Jan. 15 to WSAU-TV, Wausau, Wis. (Ch. 7), planning power boost and move to new site; 24-gain antenna Jan. 13 to WSBT-TV, South Bend, holding authorization to shift from Ch. 34 to Ch. 22.

Compact new vidicon camera with electronic viewfinder, designed especially for one-man classroom or studio use, was introduced this week by GPL. It weighs 28 lbs., has 4-lens turret. Price wasn't announced.

New 2-kw RCA transmitter for Ch. 7-13 (TT-2BH) will be available in March at \$39,500 complete.

for ticket reservation (Pennsylvania Station system), by Dage's J. W. Alinsky; unusual closed-circuit applications, by GE's C. L. Ellis; wiring a town for closed-circuit movies (Bartlesville), by Southwestern Bell's Harvey J. McMains. There will also be session on scatter Feb. 5.

IRE banquet speaker at N. Y. convention March 26 will be Robert C. Sprague, chairman of Sprague Electric Co. and of Federal Reserve Bank of Boston—speaking on "The Federal Reserve and the Electronics Industry."

Financial Reports:

Emerson executive salaries were cut in fiscal year ended Oct. 31, 1957, according to proxy statement for Feb. 19 annual stockholders' meeting accompanying annual statement showing operating loss of \$11,177. Salary paid pres. Benjamin Abrams was down to \$33,866 from \$60,008 in 1956; secy.-treas. Max Abrams, \$33,482 from \$44,065; exec. v.p. Dorman D. Israel, \$33,077 from \$38,458. Despite operating loss before other income & taxes in 1957, Emerson had net profit of \$138,431 (7¢ per share) on sales of \$54,803,069 vs. \$84,852 (4¢) on \$73,882,029 year earlier. Company was "adversely affected" last year by TV industry overproduction, lessened demand, price cutting, pres. Abrams said. Radio & phono operations—particularly in transistor portables & hi-fi—were reported "generally satisfactory." He sees "improvement" in company's TV sales & profits this year, continuing advance in radio & phono sales.

Raytheon earned \$4,800,000 (\$1.70 per share) on 1957 sales of more than \$250,000,000, of which 80% were military business, pres. Charles F. Adams told N. Y. Society of Security Analysts this week. He also reported net non-recurring gain of \$2,031,000 (71¢) from sale of 40% interest in Datamatic Corp. (Vol. 13:25), making total profit for year \$6,831,000 (\$2.41). Comparison with calendar 1956 wasn't offered because company was on fiscal basis then, but in last 7 months Raytheon earned \$655,000 (23¢) on \$112,000,000 sales. Adams said current sales are at annual rate of \$300,000,000 and he anticipates further increase in volume & profits during 1958. Backlog of govt. business totals \$260,000,000.

Packard-Bell earned \$218,313 (32¢ per share) on sales of \$8,554,000 in first 1957 fiscal quarter ended Dec. 31, 1957 vs. \$259,950 (38¢) on \$8,897,000 year earlier, pres. Robert S. Bell attributing slight dip to lower Nov.-Dec. sales when major TV manufacturers engaged in year-end inventory clearances. Technical products div. surpassed anticipated sales volume in quarter by 103%, however, and Bell reported further expansion of missile and advanced electronics programs.

Reports and comments available: On electronics prospects, by TV-Electronics Fund, 135 So. LaSalle St., Chicago. On Hazeltine, in mid-monthly review, Sprayregen & Co., 252 W. 37th St., N. Y. On Raytheon, by J. R. Williston & Co., 115 Broadway, N. Y. On Paramount Pictures and on Emerson Electric, by Lawrence Lewis, Pershing & Co., 120 Broadway, N. Y. On General Transistor, on Previews, Paine, Webber, Jackson & Curtis, 25 Broad St., N. Y. On Hoffman Electronics, by Sutro Bros., 120 Broadway, N. Y.

Dividends: Westinghouse, 50¢ payable March 1 to stockholders of record Feb. 10; Tung-Sol, 35¢ March 3 to holders Feb. 10; P. R. Mallory, 35¢ March 10 to holders Feb. 14; Siegler, 20¢ March 3 to holders Feb. 17; International Resistance, 5¢ March 1 to holders Feb. 14; Stanley Warner, 25¢ Feb. 25 to holders Feb. 10.

Texas Instruments expects to report 1957 sales of more than \$67,000,000, net income of about \$1.10 per share vs. \$45,700,000 & 72¢ in 1956, according to pres. J. E. Jonsson of big transistor manufacturer. He predicts 1958 sales of \$80,000,000.

Howard W. Sams & Co., Indianapolis electronics publishing service, reports sales for 6 months to Dec. 31, 1957 rose to \$2,139,302 from \$1,961,200 in same 1956 period, before-tax profit amounting to \$281,266 vs. \$242,529.

Westinghouse's Upswing: Westinghouse earned \$72,652,000 (\$4.18 per share) on record sales of \$2.009 billion in 1957 vs. \$3,492,000 (10¢) on \$1.525 billion in strike-affected 1956. Earnings were second only to \$79,921,000 (\$4.78) in 1954. Fourth quarter net income last year was \$23,550,000 (\$1.36), including \$4,240,000 in federal tax refunds, on \$531,770,000 (highest sales for any quarter in company's history) vs. \$4,891,000 (26¢) on \$509,561,000 year earlier. Excluding last-quarter tax credit, earnings for 1957 period were \$1.11 per share. Orders last year were highest recorded, year-end backlogs were at "high levels," chairman Gwilym A. Price reported.

Loew's Inc. reports \$5,520,000 earnings before taxes from TV, radio, record & music business in fiscal year ended Aug. 31, 1957—but consolidated net loss of \$455,000 after before-tax losses from movie production & distribution totaling \$7,784,000. Consolidated report shows gross revenues of \$154,320,404. In fiscal 1956, Loew's earned \$4,837,729 (91¢ per share) on gross of \$172,355,933. Net loss in 1957 was ascribed by pres. Joseph R. Vogel to changes in accounting practices which he said would have shown \$745,000 profit under old system. Sept.-Dec. quarter showed estimated loss of \$1,290,849 on \$31,484,000 revenues, but Vogel said downward trend stopped in last 2 months, "resurgence" is under way and company now is in black. He credited sale of pre-1949 feature films to TV as "major source" of fiscal 1957 revenues, reporting licenses to date will yield \$50,200,000 gross over 7 years and that another \$15,000,000 worth of films will be licensed in next 3-4 years.

National Telefilm Assoc. earned record \$269,577 (26¢ per share on 1,020,350 shares outstanding) in first fiscal quarter ended Oct. 31, 1957 vs. \$236,920 (23¢ if based on same number of shares instead of 682,526 actually outstanding) year earlier. TV & theatre exhibition contracts written in quarter totaled \$4,310,604 vs. \$3,040,783 year earlier, film rentals amounting to \$3,519,942 vs. \$1,798,022. At annual stockholders' meeting this week, chairman Ely Landau said NTA expects to "maintain a steady growth"—but doesn't "anticipate a continuance of the phenomenal percentage increases that have marked our progress to date." Stockholders voted to increase authorized capital stock from 2,000,000 to 3,000,000 shares, but company said it has no plans now for additional issue.

Stanley Warner Corp., chain theatre operator whose interests also include WTRI, Albany, reports \$804,500 earnings (39¢) in first fiscal quarter ended Nov. 30, 1957 vs. \$969,600 (45¢) year earlier. Decline was attributed by pres. S. H. Fabian to "many factors, including competition from free movies on TV" which cut into attendance at Stanley Warner & Cinerama theatres. He noted "substantial increase" in sales of subsidiary International Latex Corp., however, crediting gain to "dynamic TV spot advertising programs which commenced a little over year ago."

National Theatres Inc. reports consolidated earnings of \$65,401 (2¢) in 13 weeks ended Dec. 24, 1957 vs. \$572,913 (21¢) year earlier, pres. E. C. Rhoden attributing decline to "severe decrease" in movie attendance. He said company, which is buying WDAF-TV & WDAF from *Kansas City Star* for \$7,600,000 (Vol. 13:47-48), hopes for improved returns in current fiscal quarter through "better attractions," including new "Cinemiracle Adventure" movie, "Windjammer," and additional sales of unprofitable theatre properties.

COMMON STOCK QUOTATIONS

Week Ending Friday, January 31, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chng	1957-8		Stock and Div.	Close	Wk. Chng
High	Low				High	Low			
14%	6 1/2	Admiral.....	20%	+ 1/2	376 1/2	270 1/2	IBM 2.40b....	321 1/2	+2 1/2
27	16 1/2	AmBoschl.05g..	20%	- 1/2	37 1/2	25 1/4	IT&T 1.80....	30 1/2	- 1/2
24%	11 1/2	AmBcstg-Para-1	14%	- 1/2	50 1/2	33	I-T-E Cir1 1/2 d.	39 1/2	- 1/2
43%	29 1/2	AmMach&F 1.60	36%	+ 1/2	10 1/2	7 1/2	List Indust 1/4 e.	7 1/2	- 1/2
179 1/2	160	AT&T 9.....	171 1/4	-1 1/4	56 1/2	29 1/2	Litton Ind.....	39%	-1 1/2
33%	19 1/2	Amphenol 1.20.	24%	- 1/2	22	11 1/4	Loew's.....	14	- 1/2
36 1/4	28	Arvin 2.....	29 1/4	- 1/4	44	28 1/2	Magnavox 1 1/2 b.	33 1/4	-1 1/4
7 1/4	4	Avco .10g.....	6%	- 1/4	50	23 1/2	Mallory 1.40b..	28%	+ 1/2
47 1/4	21	Beckm Inst 1 1/4 f	23%	- 3/4	131	73 1/2	Mpls. H'II 1.60a	82	+ 1/4
66 1/4	42	Bendix Av 2.40.	48	-1 1/2	51 1/4	35 1/4	Motorola 1 1/2 c.	40 1/2	+ 1/2
52 1/4	27 1/2	Burroughs 1....	30 1/2	-1 1/2	9 1/2	7	Nat'l Thea 1/2 c.	7 1/4	- 1/2
25 1/2	15 1/2	Clewie 1.15g... 17%	17%	+ 1/2	36 1/2	28	Paramount 2....	35 1/2	- 1/2
36 1/2	23 1/2	CBS "A" 1b.... 27%	27%	+ 1/2	18 1/2	11	Philco 3/4 f.....	14%	+ 1/2
35 1/2	22 1/2	CBS "B" 1b.... 27%	27 1/4	+ 1/2	40	27	RCA 1a.....	34 1/2	+ 1/2
20 1/2	11 1/2	Col Pictures 1/2 t	13 1/2	- 1/2	23 1/4	16 1/2	Raytheon.....	22 1/2	- 1/2
54 1/4	25 1/2	Cons Elec .40a.. 29%	29 1/2	-1 1/2	8 1/4	4 1/4	Republic Pic....	6%	+ 1/2
35 1/2	18	Cons Electron.. 20%	20	- 1	39 1/4	29 1/4	Sang Elec 1.80.	34 1/4	+ 1/4
27 1/2	12 1/2	Cor-Dub 1.20... 15%	15	- 1/2	18	12 1/2	Siegler .80....	15 1/4	- 1/4
106 1/4	57 1/4	Corning Glass 1a	80 1/4	+1 1/4	6 1/4	2 1/2	Spartan.....	3 1/2	+ 1/4
6 1/4	3	Davega.....	3%	+ 1/2	26 1/2	17 1/2	Sperry Rand .80	19 1/2	+ 1/2
47	27 1/2	Daystrom 1.20.. 32	32	-1 1/2	9 1/2	5 1/4	Standard Coil..	7%	+ 1/2
19 1/2	13 1/2	Decca 1.....	15 1/4	- 1/2	18 1/2	13 1/2	Stanley-War 1..	15 1/2	+ 1/2
15 1/2	13	Disney .40b... 16%	16 1/2	+ 1/2	41 1/4	27 1/4	Stew Warner 2b	30%	- 1
115	81 1/4	East Kod .90e.. 103	103	+ 1/2	29 1/4	18 1/4	StorerBcstg 1.80	23	- 1/2
34	22 1/2	Emer Elec 1.60.	31	-1 1/2	46 1/4	29 1/4	Sylvania 2.....	36 1/2	- 1/2
6 1/4	3 1/4	Emerson Radio.	4%	- 1/2	31 1/2	15 1/2	Texas Instru...	28	- 1/2
10 1/4	6 1/4	Gabriel .60.... 7%	7 1/4	- 1/2	89 1/4	46	ThompProd 1.40	47 1/4	+ 1/4
68%	46%	Gen Dynamics 2	60%	- 1	37 1/2	21 1/4	Tung-Sol 1.40b.	24 1/4	- 1/2
72 1/2	52 1/2	Gen Electric 2.. 62%	62%	- 1	30 1/4	19 1/2	20thC-Fox 1.60.	25 1/2	- 1/2
8 1/4	4	Gen Inst .15g... 5%	5 1/4	+ 1/2	25 1/2	15	United Art 1.40.	17 1/4	+ 1/2
47 1/4	30 1/4	GenPreEquip 2.40	40%	+ 1/2	30 1/2	18 1/4	Univ. Pict 1a..	20 1/2	- 1/2
30 1/4	22 1/2	General Tire .70	27%	- 1/2	28 1/2	16 1/2	Warn Bros 1.20.	17	- 1/2
45 1/4	36 1/4	Gen Telephone 2	42 1/2	-1 1/4	68 1/2	52 1/2	Westing El 2..	63 1/4	- 1/2
25 1/2	17 1/4	Hoffman Elec 1.	22 1/2	- 3/4	140	91 1/4	Zenith 3a.....	130	+ 2

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/4	.....	44 1/2	29 1/4	Hazeltine 1.40b.	36 1/2	+ 1/2
52 1/2	19 1/2	Allied Con 1a..	38%	-1 1/2	3 1/2	2 1/2	Herold Ra .15g.	2 1/2	+ 1/2
21 1/2	11	Amer Electro 1/2	14%	- 3/4	6 1/4	3 1/2	Int Resist 20...	4 1/2	- 1/2
11 1/4	6 1/4	AssocArtProd..	9%	+ 1/2	8 1/4	4	Leear.....	5 1/2	- 1/2
12 1/4	4 1/4	Audio Dev .05d.	9%	+ 1/4	1 1/2	3/4	Muntz TV.....	1/2	.....
13 1/4	6 1/4	Belock Inst 1/2 t	8 1/2	.....	3 1/2	2 1/2	Muter Co. 1 1/4 t.	3	.....
1 1/4	3/4	C & C TV.....	1/2	.....	9 1/4	5 1/2	Nat'l Telefilm..	6 1/2	+ 1/2
5	2 1/2	Clorostat .15g.. 3 1/2	3 1/2	+ 1/4	2 1/2	1	Nat Union El... 1 1/2	1 1/2	- 1/4
6 1/4	3	DuMont Lab... 4%	4%	+ 1/4	11 1/4	3 1/4	Norden-Ketay.. 3 1/4	3 1/4	-2 1/2
7 1/4	2 1/2	Dynam Am... 3%	3%	- 1/2	5	3	Oxford El .10d.. 3%	3%	+ 1/2
12 1/4	8	Electronic Com. 12 1/2	12 1/2	- 1/4	20%	10 1/4	Phillips El.... 14%	14%	+ 1/2
12 1/4	5 1/2	Electronics Cp.. 7%	7%	.....	12%	6%	Servomech .40. 7%	7%	+ 1/2
28 1/4	16	Fairch Cam 1/2 g.	28 1/2	+2 1/2	9	3 1/4	Skiatron..... 5 1/4	5 1/4	+ 1/4
30	8 1/4	General Trans.. 22 1/2	22 1/2	-1 1/4	8 1/4	2 1/2	Technicolor.... 4%	4%	+ 1/2
28 1/2	17	Globe Un 1.20b.	16%	+ 1/2	5 1/2	3 1/2	Trans-Lux .20g.	4 1/2	+ 1/4
4 1/2	2 1/2	Guild Films.... 3%	3%	+ 1/2					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2 1/2	2 1/2	Magna Theatre.....	2 1/4	2 1/2
Aerovox.....	3%	4 1/8	Maxson (W. L.) .05	6 1/2	7
Airborne Inst..	44	47	Meredith Pub 1.80a	30 1/2	32
Altee Co .80...	7 1/4	8 1/2	National Co. (4% stk)	10 1/4	12
BMP Inc .50...	17 1/4	19	Oak Mfg. 1.40...	15	16 1/2
Amplex.....	51 1/4	54	Official Films .10	11 1/4	1 1/4
Baird Atomic..	11 1/4	12 1/2	ORRadio.....	18	19
Cinerama Inc..	1 1/8	2 1/4	Pacific Mercury TV	5 1/2	6
Cinerama Prod.	1 1/8	2 1/4	Packard-Bell .50.	11 1/4	11 1/2
Cohu Electronics	7%	8	Panellit.....	5 1/2	5 1/2
Collins "A" .35.	12 1/4	14	Perkin-Elmer.....	23	24 1/2
Collins "B" .35.	12 1/2	13 1/2	Phillips Lamp (14% of par)	31 1/4	33
Cook Elec. .40d	21 1/2	23	Reeves Soundcraft (stock)	2 1/2	2 1/2
Craig Systems..	4 1/4	5 1/2	Selectvision Inc..	1 1/2	1 1/4
DuMont Bcstg.	29 1/2	8 1/8	Sprague Electric 1.20	28 1/2	30
Eitel-McCullough (5% stk)	7 1/2	32	Taylor Instrument 1.20.	28	30
Elec Assoc (stk)	39	41	Tele-Broadcasters	2 1/2	3 1/2
Erie Resistor .40b.	7 1/8	8	Teletelcom .30	5 1/2	6 1/2
Friden Ind. 1..	41	44	Telecomputing...	4 1/4	4 1/4
Giannini, G. M..	14 1/4	15	Teleprompter (stock)	6 1/4	7 1/4
Granco Products .05.	1 1/4	1 1/8	Time Inc. 3.75...	62 1/4	64
Gross Telecasting 1.60	17	19	Topp Industries (stock)	10 1/4	11 1/4
Hewlett-Packard	23 1/4	24 1/2	Tracerlab.....	4 1/4	5 1/4
High Voltage .10g	23 1/4	25 1/2	Trav-Ler.....	1	1 1/4
Hycron.....	2 1/4	2 1/4	United Artists...	4 1/4	4 1/4
Indiana Steel Products 1.20a.	19	19 1/2	Varian Associates	17 1/2	18 1/2
Jerrold.....	1 1/2	2 1/4	Victoreen Inst..	4	4 1/2
Ling Industries..	6 1/8	6 1/2	Webcor 25g.....	12 1/2	12 1/2
Leeds & Northrup .60b.	20 1/2	22	Wells-Gardner...	7 1/4	8 1/2
Machlett Labs .25g.	13	14	WJR Goodwill Station 50d	12 1/4	12 1/2

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

School TV Statistics: New 124-pp. Office of Education bulletin, *Television in Education*, reviews developments in field since 1952, discusses community planning and TV teaching methods, includes listing of foundations making grants to educational stations. Co-authored by Dr. Franklin Dunham, Dr. Ronald R. Lowdermilk & Mrs. Gertrude G. Broderick, it's available for 55¢ from Supt. of Documents, Govt. Printing Office, Washington 25. Other educational TV developments this week: (1) First open-circuit TV college credit classes in Va. will be started Feb. 3 over WVEC-TV, Hampton-Norfolk, by College of Wm. & Mary. (2) Prince Georges County (Md.) school board voted to join Greater Washington TV Assn. in sponsoring pilot TV science classes for 5th & 6th graders next fall. (3) Dept. of Telecommunications at U of So. Cal. scheduled June 24 - Aug. 1 educational TV workshop.

'All American Poll': TV winners in *Radio-TV Daily's* "All American Poll" of 454 TV-radio editors: man of year, Jack Paar (NBC); woman of year, Dinah Shore (NBC); dramatic show, "Green Pastures," *Hallmark Hall of Fame* (NBC); comedy show, *Tonight* (NBC); musical show, "Annie Get Your Gun" (NBC); commentator, Edward R. Murrow (CBS); documentary, "The Innocent Years" & "The Jazz Age," *Project 20* (NBC); quiz show, *Twenty One* (NBC); new program ideas, *Seven Lively Arts* (CBS); color program, "Annie Get Your Gun" (NBC); filmed series, *Disneyland* (ABC); variety show, *Steve Allen Show* (NBC); children's show, "Pinocchio" (NBC); westerns, tie, *Wagon Train* (NBC) and *Gunsmoke* (CBS); public service, Nikita Khrushchev interview, *Face the Nation* (CBS); producer, Martin Manulis (CBS); director, George Schaefer (NBC); vocalists, Perry Como (NBC) and Dinah Shore (NBC); new talent, James Garner (ABC) and Polly Bergen (NBC); sportscaster, Mel Allen; song, "Around the World in 80 Days." There were awards also for similar categories in radio.

Christopher TV awards—bestowed this week by Catholic lay order for using "God-given talents in a positive & constructive manner": "The Best Doggone Dog in the World," *Disneyland*, ABC (Walt Disney, exec. producer; Larry Lansburgh, producer-director; Robert Stevenson, director; Janet Lansburgh, Bill Walsh, James Algar, Lee Chaney, writers). "The Prince & the Pauper," *DuPont Show of the Month*, CBS (David Susskind, producer; Daniel Petrie, director; Leslie Slotte, writer). "The Gadfly," *Telephone Time*, ABC (Jerry Stagg, producer; Robert Sinclair, director; David Evans, writer). "The Innocent Years," *Project 20*, NBC (Henry Solomon, producer-writer; Donald Hyatt, director; Richard Hanser, writer; Silvio D'Alisera, editor). "Guest from England," *Life of Riley*, NBC (Tom McKnight, producer; Jean Yarbrough, director; Dick Conway, Roland MacLane, writers). Oct. 13, 1957 "Edsel Show," CBS (Bill Morrow, producer-writers; S. R. Berns, director; Toots Camarata, musical director). "Dialogues of the Carmelites," *NBC Opera* (Samuel Chotzinoff, producer; Kirk Browning, director; Peter Herman Adler, music & art director; Francis Poulenc, composer). "Brainwashing," *20th Century*, CBS (Al Wasserman, producer-director-writer).

Three-time performance of 2-hour play, Percy MacKaye's *The Scarecrow*, is claimed as "first" in TV history by educational WGBH-TV, Boston (Ch. 2); staged by Boston U drama students, it's being carried evening of Feb. 1, afternoon and evening of Feb. 2.

Publishers Information Bureau reports 5 fewer magazines were published in 1957 than in 1956—but their advertising went up to \$741,434,426 from \$723,505,189 (based on 89 reporting publications).

**THE
AUTHORITATIVE**
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

TELEVISION LIBRARY

Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — February 8, 1958

SUBSCRIPTION TV BLOCKED by House Commerce Committee resolution. FCC expected to call off tests or face legislation banning fee TV outright (pp. 1 & 7).

MOULDER FCC HEARING goes after "more serious" charges against Comr. Mack. Commissioners conduct vigorous defense; "honorariums" argued (pp. 3 & 5).

SEATTLE & CHATTANOOGA stations get going. U. S. total now 530. Saul Haas station replaces Tacoma Tribune outlet for CBS. Martin Theatres station is ABC (p. 6).

ZENITH NOW ALONE among influential backers of on-air pay TV. Newspaper ad blast at networks is sample of extensive campaign, despite setbacks (p. 7).

NETWORKS HIT RECORD YEAR again in 1957 but PIB figures indicate slowdown in rate of climb. Dec. billings were year's highest (p. 9).

PARAMOUNT MOVIE BACKLOG of 750 pre-1948 features sold to MCA for record \$50,000,000 (p. 16).

DO YOU KNOW THAT high Federal, state and local officials (other than Senators & Congressmen) are also prominent among TV-radio station owners (p. 10).

54 STANDARD & HI-FI PHONO manufacturers listed in new directory; all TV-radio majors except GE also make phonos (p. 1 & Special Supplement).

Manufacturing-Distribution

TV, RADIO, TUBE, TRANSISTOR output and sales figures for 1957 recapitulated by EIA, showing radio at 6-year high, TVs down about 1,000,000 (pp. 12 & 13).

49% OF RADIO PORTABLES now transistorized, 51% of auto radios. Japanese imports threaten spring market, with \$29.95 sets already offered (p. 12).

THE MAKERS OF PHONOS & HI-FIS: Because the \$500,000,000 phono business (Vol. 13:51) -- in all its burgeoning aspects, particularly hi-fi -- has become such an important factor in the so-called "electronic entertainment" business over the last few years, we've compiled a list of the leading manufacturers of standard & hi-fi phonos which we believe to be the most complete extant. It shows 54 firms now making complete phonograph "packages," whether as separate units or in combination with TVs and/or radios. Only GE among the major TV-radio manufacturers does not make phonos -- yet.

We compiled the company names, addresses, phone numbers, phono executives, brands from lists furnished by the Electronic Industries Assn., Phonograph Manufacturers Assn., other industry sources -- and checked them via questionnaires. We're including the list in our upcoming TV Factbook No. 26 along with our directories of TV, radio, tube, transistor and other manufacturers, and we hope later to compile similar lists of component makers, tape recorder makers, import-brand agents, et al.

Pending publication of the Factbook, we thought many of you would like to have the Directory of Leading Manufacturers of Standard & Hi-Fi Phonos for handy reference; accordingly, it is printed in advance as Special Supplement herewith.

SUDDENLY—TOLL-TV ISSUE IS ACADEMIC: House Commerce Committee's no-confidence vote on FCC's proposal to permit pay-TV trials is much more of a blow against fee TV than press reports would indicate. Actually, it means pay TV via the airwaves -- either a trial or regular operation -- is out the window for the rest of this year at the very least, and probably for a far longer time.

This is what Committee did: By unrecorded vote it decided to transmit to FCC a resolution requesting it to call off its scheduled trial of pay TV "unless and until the Communications Act of 1934 is amended so as specifically to empower the Commission to grant such authorizations" (for text, see p. 7). And Chairman Harris

(D-Ark.) now says his Committee hopes to hold hearings on the huge pile of anti-subscription-TV bills in the House hopper in summer or fall.

Will Commission abide by Committee's request, which is a "sense-of-the-Committee" resolution but actually has no legal standing? Though Commissioners will not talk for quotation, best guess is that FCC will -- in light of Senate precedent (similar resolution asked FCC to limit radio powers to 50 kw) and particularly in light of fact that FCC already is having enough trouble with "improper conduct" hearings by same Committee's legislative oversight (Moulder) subcommittee (p. 3).

What if FCC should ignore request? We asked 3 Committee members, got same reply, to this effect: "Then we'll go ahead and report out an anti-pay-TV bill without further hearings." Which is exactly what a strong faction on the Commerce Committee wanted to do at this week's meeting, anyway.

Commission couldn't act on pay-TV applications in reality, even if it did want to -- since none is pending. Only one station -- William L. Jones' uhf WSES-TV, Philadelphia (CP) -- has informed Commission it wants to test pay TV (Vol. 13:52), but FCC regards its letter as a "declaration of intent" rather than an application.

FCC is expected to consider Committee's request at next meeting. This had been set for Feb. 12 -- but date is up in the air because Commission is due to testify before Moulder subcommittee that day.

* * * *

Pro-subscription forces received more of a drubbing at closed Feb. 6 Committee meeting than would appear at first glance. Debate centered only on question of how best to block pay TV. As Rep. O'Brien (D-N.Y.) put it, "No resolution was offered commending the FCC and urging that they go ahead." Chairman Harris did say there was "some support" for letting FCC go ahead with test, but "obviously a very small minority." Best guess: a minority of one Congressman.

Here's what actually happened behind closed Committee doors: After preliminary discussion, Rep. Springer (R-Ill.) moved that Committee approve his bill to ban charging of fees for home TV. Then the "moderate" forces, led by Rep. Harris, offered resolution prepared by Committee staff as substitute for Springer bill. A roll call vote showed 17 members favoring resolution, 7 favoring Springer bill, one -- Rep. O'Brien -- merely voting "present," probably because of his minority stockholding (3%) in group owning WTEN, Albany & WTVD, Durham-Raleigh (Vol. 14:5).

Resolution was then passed by voice vote, with a few "No's" heard. Of the Committee's 33 members, 25 were present at time of vote.

Resolution approach was taken, Harris explained after meeting, for these reasons: (1) Imminence of Commission's announced March 1 consideration of pay-TV trial applications virtually precluded possibility of full Congressional action, and (2) Committee didn't want to give appearance of "closing the doors on development of new types of broadcasting which might benefit the public."

* * * *

Exerting most influence on Committee's decision was tremendous volume of mail on pay TV -- which members agreed was largest they ever received on a single issue. Rep. Springer told us he received 8200 letters and 450 telegrams, most from lower-income households -- far exceeding the letters & telegrams inspired by the controversy over President Truman's firing of Gen. MacArthur.

Rep. Harris displayed some 50,000 letters and petitions received by or referred to Committee -- and he said opponents outnumbered proponents 1000-to-1.

Full-dress pay-TV hearings -- when the Committee gets to them -- will also include testimony on other methods of extending TV service, Harris said, and he specifically enumerated wired pay TV, community antennas, unlicensed boosters.

Prospect of pay-TV hearings on Senate side dimmed this week toward vanishing point -- as Pastore communications subcommittee tossed back to full Senate Commerce Committee without recommendation the 7-Senator anti-pay-TV resolution which was handed to it by full Committee last week (Vol. 14:5). With pressure off now because

of House Committee action, best guess is that Chairman Magnuson (D-Wash.) -- a proponent of fee-TV trials -- won't call hearings on touchy issue this session.

Blocking of broadcast pay-TV trials now opens clear path for closed-circuit as the only pay-as-you-see system -- and comments of most of the fee-TV proponents reflected it. Skiatron TV pres. Matty Fox said almost gleefully that he was "not in the least disappointed," and that Committee's resolution "simplifies things." He added: "It was awfully confusing and complicated to find the possibility of station broadcasting and closed-circuit TV in the same community."

Skiatron Electronics pres. Arthur Levey called action "only a momentary and minor gain" for networks and theatre owners "and their powerful lobby," predicting reversal by Committee after hearings. Then he turned his attention to closed-circuit pay systems and said "Skiatron is moving ahead."

International Telemeter Chairman Paul Raibourn told us: "This has not changed our plans at all because we expected it to happen. We decided that the most logical way to proceed, in view of network opposition, is by wire."

Comment from Zenith wasn't available to us at week's end. But fact is that, except for Zenith, major pay-TV proponents have done little more than perfunctory lobbying in behalf of broadcast subscription TV, preferring to devote energies to wired systems. In last-minute attempt to stem tide, Zenith inserted large ads in Washington papers just before Committee vote -- heaping scathing abuse on "network lobbies" for trying to influence Congress on issue. [For story on how Zenith is trying to influence Congress, see p. 7.]

More anti-pay-TV bills were introduced in Congress this week, meanwhile -- S-3201 by Sen. Thye (R-Minn.), HR-10544 by Rep. Morrison (D-La.), HR-10562 by Rep. Bray (R-Ind.); also, 2 bills by Rep. Dingell (D-Mich.) -- HR-10536 to ban subscription TV completely and HR-10537 to terminate any fee-TV trials by March 1, 1961.

* * * *

In post-mortems on fee-TV dispute, one mystery crops up repeatedly in discussions with FCC staffers and Congressmen: Why had no applications been filed for pay-TV trial? There's strong feeling that Zenith made serious tactical error in failing to push for applications using its system. If it had done so, reasoning goes, it would have something concrete to point to during House hearings -- and FCC would have had a couple of applications to be busily processing, making issue of calling off the trials somewhat less academic.

'FCC IMPROPRIETY'—MACK NEXT TARGET: A bruised and bitter FCC rose up to defend itself this week in the front-paged Moulder subcommittee "misconduct" hearings (Vol. 14:4-5) -- but nothing at all has been decided. Uncertainties multiplied at week's end, however, as Rep. Moulder stated that Comr. Richard A. Mack, Florida Democrat, faces charges "more serious" than those leveled at Chairman Doerfer.

Hearings resume Feb. 11-12 after Feb. 10 closed session of subcommittee for briefing on charges against commissioners. Commissioners will be called in order of seniority, which means, in addition to Chairman Doerfer -- Hyde, Bartley, Lee, Mack, Craven, Ford. Moulder had said, earlier, that Craven & Ford weren't being charged with "improper conduct."

Charges against Mack, said Moulder Feb. 7 after 3-hour closed session of his subcommittee, involve Mack's role in decision awarding Ch. 10, Miami, to National Airlines (WPST-TV) -- and he said Mack testimony may be taken in secret session under House rule requiring secrecy if "evidence or testimony at any investigative hearing may tend to defame, degrade or incriminate any person." Moulder said that he was studying charges to see whether rule applies; that charges against Mack differ from those against Doerfer in "a matter of degree."

Stating hearings may go on "for several months", Moulder told newsmen that commissioners will be given statements of specific instances of questionable conduct 3 days in advance of their appearances before subcommittee. He insisted this pro-

cedure won't produce postponement or dropping of charges against commissioners.

With much of its \$250,000 appropriation spent, with little time left in this session of Congress, subcommittee seems hopelessly sidetracked in what the "father" of the group, House Speaker Sam Rayburn, has termed a "fly-specked" affair.

FCC Chairman Doerfer hasn't been shown guilty of a "felony," as implied by charges raised. He stuck by his interpretation of law covering acceptance of "honorariums" for making speeches to industry groups, and he gave examples to show that "fraternization" with industry hasn't influenced his decisions, insisting that he be judged in context of his whole public record. From public relations standpoint, much of his own testimony hurt him, some helped.

U.S. Comptroller General Joseph Campbell finally conceded, under questioning, that law isn't "entirely clear" about honorariums. As for acceptance of industry's payment of hotel bills and travel expenses, he said he has "serious doubts as to their propriety" -- though he acknowledged that Attorney General has given more liberal interpretation. [For detailed coverage of hearings, see pp. 5-6.]

Never have we seen commissioners at such white heat. For example, the usually gentle Rosel Hyde, whose deep sense of propriety impresses everyone who knows him, rose from audience, voice thickened with fury, to attack subcommittee and its counsel Bernard Schwartz for leaking to press charges of improper conduct. And newest Comr. Frederick Ford, though facing no allegations, resorted to sarcasm. Answering query about "fraternization" with communications users, he said:

"I have attended a number of social gatherings given by telephone users who have been long time friends and neighbors, but it's my understanding that you are not interested in matters of that kind, nor in stock which may be owned by my church."

* * * *

What really hurts official & unofficial Washington is that intent of Congress in setting up Moulder group -- which was to discover whether intent of Congress is being carried out by administrative agencies -- seems likely to be frustrated totally. Nobody doubts FCC procedures need overhauling, not even FCC itself -- but conduct of probe by Dr. Schwartz, 34-year-old New York U law professor, has thus far generally displayed a cat-&-mouse aspect.

One of most perceptive comments on whole affair, ironically, came from man whom Moulder had tried to draft as chief counsel before Dr. Schwartz was hired -- Prof. Leo A. Huard, of Georgetown U Law School.

Sitting beside Moulder during D.C. Bar Assn. panel discussion of subcommittee's work Feb. 4, he said: "The course of action of the subcommittee can't produce lasting results. It might turn up some petty chicanery and isolated knavery."

"It should examine the law first. Then, agency rules and decisions. Then, judicial decisions. Only by this unglamorous, pedestrian action can you fulfill the objectives. I know Mr. Moulder is a capable and sensitive man -- and I'm sorry to say this. Time is being frittered away on work that could be done by a Grade B private eye. Bernard Schwartz is one of the most imaginative and perceptive students of administrative law. But he's cast in the role of a quizmaster for a group of administrative delinquents."

When Moulder later protested that group did indeed plan to go into matters Huard suggested, latter said: "I hope you can do it, but there isn't much time."

* * * *

Are commissioners going to be hurt seriously before this is through? Still can't tell. Some Democrats are trying to build a "mink coat" or "deep freeze" scandal against the Administration, though not all the Democratic committeemen are very pleased about time wasted on petty detail -- and nobody condones the news leaks which virtually condemned commissioners before they were heard.

There's no question of this: The public that reads-&-runs thinks somebody is getting something-for-nothing. For example, mere mention of color receivers loaned

by industry arouses resentment, though it's common practice not only here but in more tradition-bound England's public service.

Unless something is uncovered more heinous than a few dollars saved out of travel costs, lunches, cabs, tips, etc., unless the wording of the Act permitting honorariums for speeches and articles is otherwise interpreted by Justice Dept. and courts, close observers don't think young Dr. Schwartz has built up much of a "corruption" case -- yet.

* * * *

President Eisenhower, so far, isn't disposed to look down his nose. Here's what he said in news conference this week: "One of my lawyer groups brought in the law which says specifically that members of regulatory commissions may not engage in other businesses, but that they are, in making speeches or addresses or presentations before trade associations and other people interested...entitled to take reasonable honorariums." Sen. Proxmire, Democrat from Doerfer's home state of Wisconsin, said he's "shocked and disappointed" by President's attitude and will introduce bill to prohibit acceptance of honorariums and expenses from industry groups.

The FCC Petty Cash Story: "Worse than medieval torture." That's how FCC Chairman John C. Doerfer described "trial by innuendo" he'd suffered from newspaper reports of charges against him, as he started testimony in the Moulder subcommittee hearings this week. Here are facts brought out:

Doerfer spoke at dedication of tower of KWTW, Oklahoma City, Oct. 15, 1954. From there he went to Spokane to speak at NARTB district meeting, then returned to Washington. Mrs. Doerfer accompanied him at invitation of both hosts.

KWTW gave him airline tickets for trip to Oklahoma City, paid his \$34.47 Hotel Skirvin bill. NARTB paid his \$141.15 hotel (\$50 per day) and \$24.13 cafe bill at Hotel Davenport, Spokane.

When Doerfer returned to Washington, NARTB v.p. Robert K. Richards asked how much was owed him. They agreed upon \$575, testified that he considered this an honorarium.

Doerfer charged Govt. for his Oklahoma City-Spokane-D. C. air transportation, paid for Mrs. Doerfer's travel himself. For the 5 days he was gone, he drew from Govt. \$45 per diem (\$9 a day then, now \$12) plus \$10.50 miscellaneous expenses.

Doerfer's explanation: He was on official business, thus justifying drawing travel expenses and per diem for expenses incurred in addition to hotel. The \$575 honorarium is authorized under the Communications Act—and, to clinch his interpretation of it—he reported it in 1954 income tax return.

After returning from trip in 1954, he received \$165.12 from KWTW—described by its promotion mgr. as reimbursement for unused ticket for return from Oklahoma City to Washington. Doerfer deposited it. This week, he testified that he made a mistake, and thought he paid for trip to Oklahoma City—and said he returned sum to KWTW recently, Jan. 20, 1958. Reason for mistake, he said, is that he lets confidential asst. Patricia Siemien handle "99.99%" of his personal financial matters, failed to note what the \$165.12 was for.

Doerfer's reporting the \$575 on income tax saves him some real tough going. His belated return of the \$165.12 hurts him.

Subcommittee counsel Bernard Schwartz began questioning Doerfer about other trips. Considerable wrangling developed, Republicans trying to protect Doerfer. Upshot was that Doerfer was given 30 days to collect data on all trips. He later told reporters he has accepted honorariums of about \$100 each for about 15-20 speeches at industry meetings.

Schwartz questioned Doerfer about fact he & Mrs. Doerfer had been guests of George B. Storer in Miami for a week. Doerfer reported Storer had uhf station in Miami, wanted to persuade Doerfer uhf signal was so good there that area ought to be deintermixed in favor of uhf. He wasn't convinced, Doerfer said, and voted against deintermixture. Another example of "non-influence," he noted, was fact he voted for pay-TV tests despite NAB's vigorous opposition.

Rep. Oren Harris (D-Ark.), chairman of full House Commerce Committee, asked Doerfer whether he'd thought about a code of conduct for Commission. Doerfer said Commission had discussed it, noted Congress is considering it, adding: "I believe the American concept of an administrative agency is that the members are not judges. I understand that a govt. official can take per diem but doesn't have to spend it. I believe the comptroller general's testimony substantiates that."

Color sets? Doerfer said that it is common practice for industry to loan new and developmental sets to Commission to acquaint them with state of the art; that Senate Commerce Committee gave practice tacit approval after hearing in 1948.

Subcommittee, which will also hear CAB members, pricked up ears when Doerfer said that CAB chairman James R. Durfee (a fellow Wisconsinite) and he took Pinehurst, N. C. golfing trip as guest of airlines.

* * * *

Comptroller General Joseph Campbell didn't clarify situation much. He said govt. officials shouldn't accept industry payment of expenses on official trips, but that it's hard to tell where official business starts and stops. He also opined that Congress didn't intend honorariums be accepted for addresses to groups comprising those regulated by agency involved—rather, that they be for "commencement addresses," etc. There was considerable argument about definition of "honorarium"—nothing settled.

Other commissioners read into record their responses to subcommittee's original Oct. 3, 1957 letter requesting

full list of gifts, loans, trips, etc. at expense of industry. They all told of getting promotional gadgets, perishable edibles ("some of which had already perished when I received them," said Ford), in addition to attending dinners, meetings and conventions—with travel & hotel bills sometimes paid in full or in part by industry groups. None spoke of drawing govt. per diem or travel money for industry-paid affairs. Committee asked no questions of commissioners other than Doerfer, presumably will do so next week.

The strains within Moulder group are exemplified by fact that Schwartz, when asked about foregoing letters, resentfully stated he'd never seen them—that they were locked in Moulder's safe.

Reps. Bennett (R-Mich.), O'Hara (R-Minn.) and Heselton (R-Mass.) led efforts to curb Moulder and Schwartz—challenging chairman's rulings & procedures, asserting hearing was "criminal proceeding," demanding Doerfer have right to cross-examine. But Moulder got tougher as hearing proceeded, gaveling down objections. From Democratic side, Rep. Moss (D-Cal.) called Republican efforts "a filibuster."

United Press report caused raised eyebrows when it related that Comr. T. A. M. Craven confirmed he'd rejected \$60 payment for hotel bill by industry group because he'd already billed Govt. for \$12 per diem "and I didn't think I should get it twice"; that he'd attended other industry meetings but always at his own and govt. expense.

Craven told us later: "I'm embarrassed. This UP

reporter had got this leak somewhere. I'm on no crusade. I'm not criticizing the other commissioners' interpretation of the law. I'm no paragon of virtue. I had never given a thought to accepting payment of my hotel bills, etc.; it never occurred to me. You can't tell me these men are dishonest. I like them. It's ridiculous."

Craven showed us letter he'd written to Fred Houwink (WMAL-TV, Washington), secy.-treas. of Md.-D. C. Radio & TV Bestrs. Assn. It said he was returning \$59.41 which Assn. had paid for his hotel bill during Ocean City, Md. convention last June. Letter stated he'd already been reimbursed by Govt.

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Columnist Drew Pearson has been having field day with investigation, has a good leak source from subcommittee or staff—but frequently goes off half-cocked. As one example of his frequent misstatements of fact and misconstructions of policy: He implied that former FCC chairman Paul Walker, a Democrat, favored Senate Majority Leader Lyndon Johnson (D-Tex.) and other Democrats by pushing through "unfair," "quickie" CP for Mrs. Johnson's KTBC-TV, Austin, after freeze ended in 1952.

Fact is, as everyone in industry knows, that Republican Rosel Hyde was chairman and originator of "quickie" grant rule—publicly adopted—designed to get TV stations granted and built. Applications such as Mrs. Johnson's had been on file for months or years, and Hyde's rule was designed to frustrate insincere last-minute applications designed to block growth of TV. And it worked.

New and Upcoming Stations: You can add 2 more stations to roster of on-the-air TV operations, total now standing at 530 (91 uhf). KIRO-TV, Seattle (Ch. 7) was all set to start operating Feb. 8, becoming 6th outlet in Seattle-Tacoma area and taking over CBS affiliation from *Tacoma Tribune's* KTNT-TV (Ch. 11). WTVC, Chattanooga (Ch. 9) starts Feb. 11 as ABC-TV affiliate after completion of move from Rome, Ga. where it operated as WROM-TV.

In addition, satellite KDUH-TV, Hay Spring, Neb. (Ch. 4) got FCC authorization for program tests this week, but actual programming must await further FCC grant for intercity relay connection with parent KOTA-TV, Rapid City, S. D. (Ch. 3), 100 mi. distant. Grant is expected as matter of routine; construction of private relay is expected to take no more than 2 weeks.

KIRO-TV has 50-kw GE transmitter and 2-bay helical antenna on 500-ft. Truscon tower at studio-transmitter site, 1530 Queen Anne Ave. Principal owners are Saul Haas, onetime district commissioner of internal revenue, pres.-gen. mgr., 62.05%; U. N. Banks, 9.24% (as trustee for Ruth Cooper Lear & Nancy Lear Thompson); Senator Warren G. Magnuson, 4.01%. Miller C. Robertson, ex-WTCN-TV, Minneapolis, is station mgr.; Fred Kaufman, ex-WTCN-TV, program mgr. Base hour is \$1100. Rep is Peters, Griffin, Woodward Inc.

WTVC has 50-kw RCA transmitter and 8-section superturnstile antenna on 226-ft. guyed tower. Owner Martin Theatres of Georgia, operator of WTVM, Columbus, Ga. (Ch. 28), took over station from Dean Covington and associates after they took it off air in Rome, Ga. Dec. 5, 1957 (Vol. 13:40, 41, 49). Reeve Owen, from WTVM, is

gen. mgr.; Joe Windsor, national sales for WTVC & WTVM; S. L. Brooks, local sales; Jack Sausman, program director; Leon Webb, chief engineer. Base hour is \$425. Reps are Meeker and James S. Ayers (South).

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Final Ch. 2 CP in St. Louis is in the works, after KTVI, now operating temporarily on the channel, and competitor Louisiana Purchase Co. came to agreement this week. Examiner Herbert Sharfman granted amendment whereby KTVI issues 135,190 shares in addition to present 1,230,000, and Louisiana Purchase stockholders buy them at 10¢ a share, latter also getting \$41,000 for expenses of prosecuting application. KTVI will hold option to buy back that stock within 3 years at \$1.20 per share; Louisiana Purchase pres. Lon Hocker testified he hopes option isn't exercised, because group wants to remain in TV. KTVI principals Paul Peltason and Harry Tenenbaum, each owning 614,000 shares, also agree to sell to *Globe-Democrat* 310,000 shares at 10¢ per share. Latter is disposing of its 23% in KWK-TV (Ch. 4), sale of which to CBS is still being litigated (Vol. 13:43-44, 48; 14:1-2).

Week's only TV applicant was Lincoln Dellar, 14.2% owner of KOVR, Stockton, Cal. (Ch. 13), who seeks uhf Ch. 17 in Bakersfield, Cal. Veteran broadcaster Dellar also is owner of radio KXOA, Sacramento; 50% owner (with wife) of radios KJR, Seattle; KXL, Portland; KNEW, Spokane—all now in process of being sold (Vol. 13:48, 52 & 14:2). [For further details about Bakersfield applicant, see *TV Addenda 26-B* herewith.]

Allocations petition filed this week by KBAK-TV, Bakersfield, Cal. (Ch. 29), seeks assignment of Ch. 8 to city and show-cause order permitting it to switch to the new channel. KMJ-TV, Fresno (Ch. 24) asked that KFRE-TV be shifted from Ch. 12 to a uhf channel or that Ch. 5 & 9 be shifted to Fresno from Goldfield & Tonopah, Nev.—with KMJ-TV to get Ch. 5 through show-cause order.

Zenith's Great Crusade: Zenith pres. E. F. McDonald was at it again this week—and in rare form—with newspaper ads blasting the network “organizations in New York City” and their “terrible power.” Ads were placed in the Washington papers which would accept them and directed to House Commerce Committee in futile last-ditch attempt to head off anti-pay-TV action (see pp. 1-3).

If Cmdr. McDonald's pay-TV crusade gets him nothing else, it's bound to pay off in publicity—and he's proved in past that controversial publicity sells goods. As a rival Chicago manufacturer once put it to us: “I wish I knew how to turn it on and off in the newspapers as Gene does. I could save millions on my ad budget.”

McDonald suddenly finds himself virtually alone as single influential proponent of broadcast pay TV—his former co-proponents Skiatron & Telemeter having turned busily to wired TV systems and, except for some testimony before House Committee hearings, having virtually abandoned broadcast pay-TV lobbying activities in Washington.

Zenith's ad, signed by McDonald himself, was offered to all 3 Washington newspapers. Only Scripps-Howard's evening *News* accepted it outright. *Morning Post* refused to accept it until certain words were eliminated (example: “phony,” as applied to networks' anti-toll-TV arguments) along with references to presidents of ABC, CBS & NBC. *Evening Star* said it turned down ad because it was “more of a personal attack than a statement of position.”

Original 2-page ad, as it appeared in tabloid *Washington News*, was headlined “They're All Scared to Death of You, the Public! . . . Who Is So Afraid? The president of CBS and the president of NBC and the president of ABC and the president of the National Assn. of Broadcasters.” And, according to Cmdr. McDonald: “This is what wakes them up shaking in the middle of the night. They are afraid you will find out how good [pay] TV can really be.”

Ad accuses networks of tremendous lobbying campaign, wining & dining Senators & Congressmen and using their TV facilities to promote “phony” charges that

Crowell-Collier Publishing Co., whose plans to buy the Bitner TV-radio stations for \$16,000,000 came a cropper last year due to tightened money market (Vol. 13:3, 12:47), this week announced plans to expand its radio station holdings—appointing Stephen B. Labunski, ex-ABC v.p. and ex-radio stations in Minneapolis & Kansas City, to newly created post of director of radio operations. In 1956, while it was still publishing *Collier's* and *Woman's Home Companion*, since discontinued, it purchased radio KFVB, Los Angeles, for \$2,350,000 from Harry Maizlish (Vol. 12:22). It's now exploring radio field for possible additional acquisitions. Since dropping losing magazines, income of Crowell-Collier (W. D. Cole, chairman; Sumner Blossom, pres.) has come mainly from an encyclopedia subsidiary and in first 9 months of 1957 earned \$2,787,739 vs. loss for all of 1956 of \$4,421,943.

Hearings on ASCAP—specifically whether “a small clique of representatives of the large publishing houses has gained control” (Vol. 14:4)—set for Feb. 25 by Rep. Roosevelt's (D-Cal.) House Small Business subcommittee.

Anti Toll-TV Resolution: Text of resolution by House Commerce Committee requesting FCC to call off its pay-TV trials until further action by Congress:

Resolved, that it is the sense of this Committee that the public interest would not be served by the granting of authorization for subscription TV operations as contemplated by the FCC in its First Report, adopted Oct. 17, 1957 in Docket No. 11,279, because:

(1) It has not been established to the complete satisfaction of this Committee that authority to license such operations comes within the power of the Commission under the provisions of the Communications Act of 1934, and

(2) Such operations might lead at least to a partial blacking out of the present system of television operations with possible injury to such present system in particular communities if not throughout the United States.

Section 2: For the reasons stated above, it is the sense of this Committee that the FCC should not grant authorizations for subscription TV operations as contemplated in such First Report unless and until the Communications Act of 1934 is amended so as to specifically empower the Commission to grant such authorizations.

pay TV would destroy free TV. “But the most astounding, shocking and amazing thing of all is that 3 organizations in New York City could have amassed such terrible power,” concludes McDonald's ad. “The question is no longer whether subscription television will benefit the public. The question is whether our democratic institutions and processes can co-exist with such tremendous concentrations of unbridled and irresponsible power.”

While networks and other opponents of subscription TV undeniably have been conducting heavy lobbying campaigns, McDonald's organization is no slouch at the art, either. Among those spreading the pay-TV story to lawmakers for Zenith are Washington attorneys ex-Sen. Burton Wheeler and Ted Pierson, as well as onetime *Washington Post* columnist and Capitol Hill veteran Carlisle Barger. In and out of Washington during pay-TV campaign have been Zenith's ubiquitous public relations director Ted Leitzell and his assistant Norman Page (assigned almost fulltime to capital during the recent period of heavy lobby activity), plus Paul Mowrey, onetime ABC executive, and now consultant, and Zenith v.p.-gen. counsel Joseph S. Wright.

Feb. 5 *Washington News* with Zenith's big double-truck ad was delivered to Senators and Congressmen with sticker pasted across front page, reading: “Important Announcement. See pages 20-21.”

Despite setback, Zenith's lone campaign for on-the-air toll TV can be expected to continue—even accelerate.

Robert H. Hinckley, American Broadcasting-Paramount Washington v.p., an AB-PT director since 1953 and onetime colleague of Edward Noble on original Civil Aeronautics Authority (1938-40), which he served one year as chairman, is being boomed for the Democratic nomination for U. S. Senator from his native state of Utah. He's 67, may run against 72-year-old Sen. Watkins (R). Independently wealthy, Hinckley once had various radio station interests, was largely responsible for persuading ABC to get into TV early. He served as youngest member of Utah Legislature in 1918 at age of 25. During Roosevelt Administration, he served first as director of emergency relief for western states, then with WPA, then CAA and as Asst. Secy. of Commerce (1940-42) and director of contract settlement (1944-46).

Mexico City will be site of annual meeting of Assn. of Federal Communications Consulting Engineers April 25, pres. Robert E. L. Kennedy stating it was decided on as favorable stopover on way to NAB convention in Los Angeles, April 27 - May 1.

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Personal Notes: Wm. R. McAndrew, NBC news director, promoted to v.p. . . . Philip G. Lasky, gen. mgr. and once part owner of Westinghouse's KPIX, San Francisco, winds up 6-week cruise to Africa and South America on *S. S. Gripsholm* in N. Y. Feb. 13; stopover in Africa enabled him to do some big-game hunting . . . Dale L. Moudy, special station services director of ABN, appointed asst. to pres. Robert E. Eastman; Irv Lichtenstein named promotion & exploitation director; Henry W. Levinson, sales development director; Lawrence J. Pollock, research director . . . Neil J. Murphy, from NBC's WNBC & WKNB, New Britain-Hartford, named business mgr. of WBUF, Buffalo, replacing Wm. L. Callaway, assigned to o-&o stations div., N. Y. . . . Don Petty, ex-NAB gen. counsel, until recently practicing in Los Angeles with ex-NAB pres. Justin Miller, joins Darling, Shattuck & Edmonds, 523 W. 6th St., Los Angeles (Trinity 8104); Miller firm changes name to McClean, Salisbury, Greenwald & McClean, 2975 Wilshire Blvd., Los Angeles (Dunkirk 1-1131) . . . James Hendrick, ex-Standard Brands, joins CBS Inc. as systems & procedures director in new services dept. . . . Frank Paris promoted to CBS Radio program coordinator, Hollywood . . . Robert T. Carson, asst. to Henry J. Kaiser, the industrialist, whose firm owns 50%, named gen. mgr. of KHVH-TV, Honolulu, succeeding Hal Lewis . . . John Leslie named sales mgr. of WEEK-TV, Peoria, succeeding Bill Flynn, now sales mgr. of WWL-TV, New Orleans . . . Edwin J. Fitzsimmons elected exec. v.p. of rep Weed Radio Corp. . . . Charles E. Pike Jr., ex-WTAL, Tallahassee, Fla., named station mgr. of WPTV, Palm Beach, succeeding late Stephen Willis . . . Bob White named public service director of WJBK-TV, Detroit, replacing George W. Cushing, resigned . . . Ernie Leiss promoted to news director of WRCV-TV & WRCV, Philadelphia . . . Sherril W. Taylor, RAB v.p. & promotion director, assumes new post of sales administration v.p.; Miles David, ex-exec. editor of *Sponsor*, joins RAB as promotion director . . . Leonard S. Holstad, ex-Northwest Airlines, named comptroller of National Telefilm Assoc. . . . James E. Goldsmith, ex-KWK-TV, St. Louis, named gen. mgr. of radio WAMV, E. St. Louis, Ill. . . . Wm. Fineshriber Jr., international operations director of Screen Gems, left this week on 5-week Latin America business tour . . . Walter V. Marxmeyer Jr., ex-Cresap, McCormick & Paget management engineering firm, named Sindlinger & Co. v.p. in charge of new N. Y. office at 441 Lexington Ave. . . . Herbert L. Golden, United Artists TV Inc. pres., elected director of parent United Artists . . . Clinton B. Hatcher promoted to financial v.p. of Wilding Picture Productions, Chicago; Florian Palac to treas., Lorraine A. Backey to secy. . . . Walter R. McCurdy assigned by AB-PT to be pres. of American Bcstg. Co. Merchandising Inc., new TV merchandising subsidiary; Jack Convery named v.p.

Network Hearing Lineup: Order of witnesses in network study hearing was released by FCC this week, covering 75 representatives of 33 organizations who start testimony 10 a.m., March 3. Networks get 2 days each, time of others to be determined later—and "night sessions will be held if necessary." Each party is to submit 15 copies of direct testimony at least 5 calendar days before witness appears. Networks lead off—ABC, CBS, NBC in that order. Then come group stations: Corinthian (Whitney), King (Bullitt), Meredith, Modern (Edgar Stern), RKO Teleradio (O'Neil), Southwestern (Reynolds), Storer, Time-Life, Utah Bcstg. (Glassman), Westinghouse, WKY group (Gaylord). Then the affiliate committees of ABC, CBS, NBC, respectively. Then: National Telefilm Assoc.; KTTV Inc., Los Angeles; stations represented by CBS Spot Sales; stations represented by NBC Spot Sales (WAVE Inc., Louisville); Station Representatives Assn.; Committee for Competitive TV. Finally, individual stations are scheduled in this order: WVEC-TV, Norfolk; KFRE-TV, Fresno, Cal.; KFDM-TV, Beaumont, Tex.; KVAR, Mesa-Phoenix, Ariz.; WCSH-TV, Portland, Me.; WDSU-TV, New Orleans; WFLA-TV, Tampa; WLAC-TV, Nashville; WMBD-TV, Peoria; WWJ-TV, Detroit.

Full text of Barrow Report on network practices, prepared by FCC network study staff (Vol. 13:40), has been printed by House Commerce Committee, copies now available from Supt. of Documents, Washington, at \$2 each. Official title of printed version: *Network Broadcasting Report of the Committee on Interstate & Foreign Commerce, House Report No. 1297*. FCC won't distribute copies.

FCC Chairman Doerfer and Eric Sevareid, chief CBS News Washington correspondent, are slated to speak at Feb. 19 luncheon of NAB's 3rd annual Conference of State Assn. Presidents at Shoreham Hotel, Washington. Dr. Gabriel Hauge, special asst. to President Eisenhower for economic affairs, speaks at session following luncheon. Keynote address of 2-day meeting will be delivered by NAB pres. Harold Fellows at Feb. 18 luncheon.

J. M. Clifford, NBC exec. v.p.-administration, named chairman adv., publishing and entertainment section, 1958 N. Y. Red Cross campaign; Frank Silvernail, BBDO mgr. of station relations, named chairman, radio-TV section, public information committee.

Donald H. McGannon, Westinghouse stations pres., keynotes Western Radio & TV Conference at Bellevue Hotel, San Francisco, Feb. 14.

Albert Floersheimer Jr., ex-Walter Reade Theatres v.p., on Feb. 1 becomes public relations director, Theatre Owners of America.

Obituary

Henry Salomon, 40, director of NBC-TV special projects who created *Victory at Sea* and other notable TV documentaries, died in his N. Y. home Feb. 1 of cerebral hemorrhage. He recently announced plans for new series on democracy vs. communism and at time of death was working on program based on Walt Whitman's *Leaves of Grass*, also a history of musical comedy. Surviving are mother, sister, brother.

James B. Hudders, 31, director of 20th Century-Fox's TV research lab, currently developing Eidophor large-screen theatre TV, died Feb. 3 in N. Y.

Louis Salant, 78, onetime prominent N. Y. trial lawyer, father of CBS v.p. Richard S. Salant, died in N. Y. Feb. 3.

Network Television Billings

December 1957 and January-December 1957

(For Nov. report see *Television Digest*, Vol. 14:3)

FULL PICTURE of 1957 network TV billings was given this week by Publishers Information Bureau as it released Dec. figures, highest on record. Clearly shown is how rate of increase for combined networks eased off last year. It shows another record year—1957 total being \$516,201,566 vs. \$488,167,634 in 1956, up 5.7%. This compares with 1956 increase of 20% from 1955's \$406,899,059, and 1955's jump of 27% from 1954's \$320,154,274.

CBS-TV's total for year was \$239,284,899, NBC-TV's \$193,845,383, ABC-TV's \$83,071,284. Respective increases from 1956 were 7.1%, 3.2%, 8.3%.

Dec. 1957 total was \$49,741,736, up 11.1% from previous year. Breakdown: CBS-TV, \$21,980,607 (up 7.8%), NBC-TV, \$19,146,483 (up 8.4%), ABC-TV, \$8,614,646 (up 28.6%). Here's the detailed PIB report for Dec. and all 1957 (for preceding years, see *TV Factbook No. 25*, p. 29, or forthcoming *No. 26*):

NETWORK TELEVISION						
	Dec. 1957	Dec. 1956	% Change	Jan.-Dec. 1957	Jan.-Dec. 1956	% Change
CBS	\$21,980,607	\$20,395,400	+ 7.8	\$239,284,899	\$223,520,382	+7.1
NBC	19,146,483	17,666,721	+ 8.4	193,845,383	187,921,123	+3.2
ABC	8,614,646	6,699,450	+28.6	83,071,284	76,726,129	+8.3
Total	\$49,741,736	\$44,761,571	+11.1	\$516,201,566	\$488,167,634	+5.7

1957 NETWORK TELEVISION TOTALS BY MONTHS				
	ABC	CBS	NBC	Total
Jan.	\$ 6,715,581	\$ 20,231,474	\$ 16,554,941	\$ 43,501,996
Feb.	6,175,488	18,309,088	14,900,631	39,385,207
March	6,848,848	20,172,173	16,631,974	43,652,995
April	6,682,786	19,385,098	15,154,388	41,222,272
May	7,258,807	20,307,762	15,811,033	43,377,602
June	6,413,708	18,356,892	14,746,537	39,517,137
July	6,348,496	18,537,069	13,874,872	38,760,437
Aug.	6,134,380	18,240,823	14,473,677	38,848,880
Sept.	5,704,888	19,935,115	15,286,270	40,926,273
Oct.	8,093,724	22,421,673	18,752,891	49,268,288
Nov. *	8,079,932	21,407,125*	18,511,686	47,998,743*
Dec.	8,614,646	21,980,607	19,146,483	49,741,736
Total	\$83,071,284	\$239,284,899	\$193,845,383	\$516,201,566

* Revised as of Feb. 4, 1958.

Note: These figures do not represent actual revenues to the networks, which do not divulge their actual net dollar incomes. They're compiled by Publishers Information Bureau on basis of one-time network rates, or before frequency or cash discounts, so in terms of dollars actually paid may be inflated by as much as 25%. However, they're generally accepted in the trade as an index.

General Motors, says Jan. 5 *Variety*, has been quietly sounding out top network executives for new post of "TV czar" at 6-figure salary to supervise its program buying & planning. At present, its accounts are divided among the McManus, John & Adams, D. P. Brothier and Campbell-Ewald agencies, with successor to Kudner for Buick still hanging fire. *Variety* says job has been turned down by 2 top TV figures "both of whom have held higher-than-v.p. posts at the networks."

New tax threat: Possibility of 2% state tax on TV-radio and other advertising in W. Va. arose this week following 49-46 House of Delegates approval of proposal to bring intangibles under existing consumer sales tax. Unlike Baltimore's municipal levy (Vol. 14:4), proposed W. Va. tax is not aimed specifically at advertising, but would accomplish the same purpose by removing sales tax exemptions. Legislature seeks to raise \$3,200,000 additional revenue.

Marshall Rothen, Kenyon & Eckhardt, elected chairman of National TV Film Council.

Subliminal Flop: Experiment with "hidden sell" techniques on Canadian TV apparently didn't influence anybody, CBC announced Feb. 7, in news release on results of its test staged Jan. 19 by Subliminal Projection Co., N. Y. During 30-min. program, viewers were subjected to subliminal message flashed on screen 352 times, and were asked to report reactions—but they weren't told content of message. CBC received replies from more than 500 viewers, 50% of whom said they felt compelled to "do something"—many saying they felt compelled to drink tea, coffee, beer, scotch or water; others felt like eating, standing up, removing their shoes, driving safely, smoking, buying electric frying pans, writing to CBC. Subliminal message actually said: "Telephone Now." Only one viewer said she felt compelled to telephone, but she resisted the urge and wrote a letter. Meanwhile, Paramount's KTLA, Los Angeles, which had announced plans to use subliminal public service messages (Vol. 14:4), postponed its experimentation indefinitely after extremely adverse mail reaction and a message from FCC. Subliminal promoter Precon Process & Equipment Co. is sending officials to Washington Feb. 13 to confer with staff of Commission, now completing investigation of subliminal TV techniques.

Storer's 52-Week Guarantee: All Storer TV stations have instituted 12-month rate protections in lieu of usual 6-month, as result of success which greeted policy when first announced last Nov. by Storer's WJBK-TV, Detroit. "Response from agencies and advertisers," says Storer statement, "was both immediate and overwhelming," and it lists 16 of largest agencies conveying endorsements. Hold-the-line policy also stems from fact that most TV time purchasing lately has been on short-term basis, leading to general condition that George B. Storer recently described thus (Vol. 13:47): ". . . our forward commitments from advertisers are of a short term duration rather than the long term 52-week contracts which we formerly enjoyed. We hope this situation will change, but until we have a restoration of general commercial confidence, I am afraid we will have to be content with this day-to-day existence."

"Lestoil" TV commercials were cited by FTC this week in charges (Complaint 7056) that Adell Chemical Co. Inc., Holyoke, Mass., manufacturer of detergent, failed to identify product as "dangerously flammable."

ADVERTISING AGENCIES: Wm. A. MacDonough, James F. Black, Andrew Diddel, Rodger S. Harrison promoted to Kudner v.p.'s . . . Wm. H. Kennedy, ex-J. Walter Thompson, Chicago, joins McCann-Erickson there as TV-radio timebuying supervisor . . . Arthur A. Kron elected pres. of Gotham-Vladimir Adv., succeeding Irwin A. Vladimir, who becomes chairman . . . Wm. A. Foxen & E. Wyatt Hicks promoted to v.p.'s of Benton & Bowles . . . Walter M. Heymann Jr., ex-Foote, Cone & Belding, named sales development director of North Adv.

Eldridge Peterson resigns as publisher of *Printers' Ink* after more than 31 years service, to be succeeded March 1 by associate publisher Robert T. Lund, exec. v.p. of Vision Inc., which bought 70-year-old trade journal last July (Vol. 13:28). Peterson said he has no immediate plans.

Pat Weaver's new show, *Make Me Laugh*, comedy program produced in association with Mort Green & George Foster, starts on ABC-TV March 20, Thu. 10-10:30 p.m., sponsored by American Tobacco Co. (Tareytos) thru Lawrence C. Gumbinner.

Do You Know That . . .

PROMINENT POLITICOS other than Senators and Congressmen (whom we detailed in this column last week; Vol. 14:5) are also quite numerous among TV and/or radio station enterprisers. For the most part, their ownerships are family properties or risk investments—and seldom has any question been raised about propriety.

Secretary of the Interior Fred A. Seaton, ex-Senator from Nebraska, is a scion of the noted Nebraska publishing-broadcasting family, owner of the *Hastings Tribune*, which is 52.7% owner of KHAS-TV, Hastings (Ch. 5). The Seaton's also own radios KHAS there; KGGF, Coffeyville; KMAN, Manhattan, along with 7 other newspapers and the magazine *Western Farm Life* of Denver.

Former Secretary of Health, Education & Welfare Mrs. Oveta Culp Hobby, is wife of former Gov. Wm. P. Hobby, of Texas, and together they publish the *Houston Post* and operate KPRC-TV, Houston (Ch. 2) with radio KPRC. Former Secretary of Commerce Charles P. Sawyer owns radio WING, Dayton; WCOL, Columbia; WEZE, Boston, Mass.; WKLO, Louisville. Ex-Attorney General J. Howard McGrath is exec. v.p. of the Edward Lamb Enterprises, which include WICU-TV, Erie, Pa. (Ch. 12) with radio WICU, but himself holds no ownership interest in the Lamb properties.

* * * *

On the White House staff is ex-Gov. Howard Pyle, of Arizona, who was once program director of KTAR, Phoenix, and still owns something less than 2% of stock of firm that operates KVAR there (Ch. 12) with radios KTAR; KYUM, Yuma; KYCA, Prescott. He's deputy asst. to President Eisenhower for Federal-State relations, expects soon to quit that post. Dillon Anderson, recently Presidential asst. for national security affairs, is a small stockholder in KTRK-TV, Houston (Ch. 13).

Mrs. Maud B. Byrnes, wife of the onetime governor, then U. S. Senator from So. Carolina, later director of war-time mobilization, then U. S. Supreme Court Justice, James F. Byrnes, owns 90 out of 5000 shares (1.8%) of stock of WSPA-TV (Ch. 7) and WSPA, Spartanburg, S. C.; she's one of 50-odd stockholders in properties controlled by ex-Washington newsman Walter J. Brown.

Ex-Gov. Alf Landon, of Kansas, onetime GOP candidate for President, is 65% owner of radio KSCB, Liberal, Kan., 16% owner of WREN, Topeka. The late Gov. James M. Cox, onetime Democratic candidate for President, early added TV-radio stations to his Ohio newspaper chain; his estate's WHIO-TV, Dayton (Ch. 7), radio WHIO, WSB-TV, Atlanta (Ch. 2) with radio WSB. James M. Cox Jr. also personally owns 30½% of WCKT, Miami (Ch. 7) with radio WCKR—and all the Cox TV-radio stations are directed by J. Leonard Reinsch, who was radio chief for the Democratic National Committee in 1944 and mgr. of its 1956 national convention.

* * * *

Wright Morrow, ex-chairman of Democratic National Committee, is chairman and minor stockholder (3333 out of 50,000 shares) in KTRK-TV, Houston (Ch. 13), which is 32% owned by heirs of late Secretary of Commerce Jesse Jones and headed by his nephew John T. Jones Jr. Another ex-chairman of the Democratic National Committee, Frank E. McKinney, owned 10% of WISH-TV, Indianapolis (Ch. 8) with WISH and WANE-TV, Ft. Wayne (Ch. 15) with WANE before their sale in 1956 to the Jock Whitney in-

terests for \$10,000,000 (Vol. 12:30, 34); Whitney is presently Ambassador to Britain.

Ex-Senator Gordon Gray (D-N. C.), once Governor of his state and once president of the U of No. Carolina, who is now director of the important Office of Defense Mobilization, is publisher of Winston-Salem's morning & evening newspapers and owner-founder of WSJS-TV there (Ch. 12) with radio WSJS. He took active part in industry affairs at one time.

Ex-Rep. Harris Ellsworth (R-Ore.), now member of the Civil Service Commission, still owns 25% of the *Roseburg* (Ore.) *News-Review*, but that newspaper sold its radio KRNR last year. Ex-Rep. Frazier Reams (R-Ohio) owns WTOL, Toledo; ex-Rep. Mitchell Jenkins (R-Pa.) is part owner of WILK-TV, Wilkes-Barre (Ch. 36) and of radios WILK and WPXY, Punxsutawney, Pa.

Wife of the late Sen. Worth Clark (D-Ida.) inherited holdings in TV-radio stations (KULA) in Honolulu and radio KGIL, San Fernando, Cal., but has disposed of interests. Late Rep. Richard W. Hoffman (R-Ill.) owned WHFC, Cicero, suburb of Chicago, and his sister still holds CP for uhf WHFC-TV, Chicago (Ch. 26).

* * * *

Besides Gov. Ernest W. McFarland's 40% interest in KTVK, Phoenix (Ch. 3), we find ex-Gov. Horace Hildreth, of Maine, recent Ambassador to Pakistan, owning (with family) 23% of WMTW, Poland Spring (Ch. 8) and controlling WABI-TV, Bangor (Ch. 5), WAGM-TV, Presque Isle (Ch. 8) with radios WAGM and WABM, Houlton—all in Maine.

Ex-Gov. Roy J. Turner, of Oklahoma, is pres. and 11.9% owner of KWTW, Oklahoma City (Ch. 9) which interlocks with KATV, Pine Bluff-Little Rock, Ark. (Ch. 7) and KTUL-TV, Tulsa, Okla. (Ch. 8) with radio KTUL. Ex-Gov. James Noe, of Louisiana, owns KNOE-TV, Monroe, La. (Ch. 8) and radio WNOE, New Orleans.

Ex-Gov. E. D. (Ed) Rivers, of Georgia, owns 51% of WQXT, Palm Beach & 95% of WMIE, Miami. His son Ed Jr. owns radios KWEM, Memphis; WEAS, Decatur, Ga.; WJIV, Savannah; WSWN, Belle Glade, Fla. Brother James S. Rivers owns WMJM, Cordele, Ga. & WTJH, East Point, Ga., and has minority interest in WACL, Waycross, Ga. Ex-Gov. Doyle E. Carlton, of Florida, is a v.p. & trustee of radio WJBS, Deland, Fla. (no ownership).

Ex-Mayor Charles P. Taft, of Cincinnati, brother of the late Senator Robert Taft and member of the family owning the *Cincinnati Times-Star* and its Cincinnati stations WKRC-TV & WKRC (also others; see *TV Factbook* No. 25, p. 362), has announced he will enter the primary for governor as "stand-in" for Gov. O'Neill, who may not run because of a heart attack. Mr. Taft is uncle of Hulbert Taft Jr., pres. of Taft stations.

Gordon Persons, ex-Gov. of Alabama, was onetime mgr. of family's WSFA, Montgomery; his brother is Gen. Wilton B. Persons, deputy asst. to President Eisenhower. And Gov. Robert D. Holmes, of Oregon, elected last Nov. on the Democratic ticket, was formerly gen. mgr. of radio KAST, Astoria, Ore.

* * * *

Among mayors and ex-mayors identified with TV-radio: Earl J. Glade, longtime Democratic mayor of Salt Lake City, was first gen. mgr. of KSL, which now also has KSL-TV (Ch. 5); he's father of Earl Jr., mgr. and part owner of KBOI-TV, Boise, Ida. Roy Hofheinz, ex-mayor of Houston, owns 16% of KTRK-TV and 25% of radio KTHT there. Quigg Newton Jr. still owns 6.31% of KOA-TV,

Denver (Ch. 4) with KOA, according to FCC records; he was city's mayor, later became Ford Foundation's director of public affairs.

Roger L. Putnam, New England industrialist, chairman of WWLP, Springfield, Mass. (Ch. 22) with satellite WRLP, Greenfield, Mass. (Ch. 32), whose son Wm. L. Putnam runs the stations, is ex-mayor of Springfield; he also was U. S. director of Economic Stabilization, 1951-52.

J. Patrick Beacom, owner of off-again-on-again WJPB-TV, Fairmont, W. Va. (Ch. 35) was mayor of the town and served 2 terms in state legislature. Frank P. Whitney, 11.6% owner of KDIX-TV, Dickenson, N. D. (Ch. 2), with radio KDIX, was also mayor of the town. George C. Fleharty, pres.-gen. mgr. and about 20% owner of KVIP-TV, Redding, Cal. (Ch. 7), also publisher of local weekly, is still mayor.

First pres.-gen. mgr. of KNOX-TV, Grand Forks, N. D. (Ch. 10), with KNOX, whose wife owns 20%, is State Senator Carroll E. Day. And the veteran J. B. Fuqua, owner and gen. mgr. of WJBF, Augusta (Ch. 6), was recently elected to the Georgia House of Representatives.

Headline participants in Westinghouse Bcstg. Co.'s second TV-radio conference on local public service programming March 5-8 at Johns Hopkins U, Baltimore (Vol. 14:1), include Sen. Kennedy (D-Mass.), Mike Wallace, Bergen Evans, Dr. Frank Baxter, puppeteer Bil Baird.

Washington State's Lt. Gov. John A. Cherberg has been hired by Saul Haas' KIRO-TV, Seattle (Ch. 8) as an account executive, and will work at that job in interim between legislative sessions over which he presides.

New CBS-TV affiliate: KDUH-TV, Hay Springs, Neb., satellite of KOTA-TV, Rapid City, S. D., effective Feb. 16.

TV-carrying satellites are planned by Army before year end. Encouraged by success of Explorer I, Army scientists now are working on 300 & 700-lb. versions, which they hope to put into orbit this year. Explorer II is expected to be similar to Explorer I, while Explorer III is slated to be military reconnaissance satellite, carrying TV camera and recorder; it would take pictures of what it sees during its world-circling trips, storing them up and transmitting them to ground stations upon radio command when passing over U. S. or other friendly countries. Explorer IV would be more elaborate model, containing 2 TV cameras, solar batteries and 7 communications channels for transmitting and receiving messages.

Danger of concentrating too much effort on military electronics alone was pointed out recently by Sylvania pres. Don G. Mitchell. Too many electronics firms are not diversifying enough into commercial products as a hedge against day when "the military rug" might be pulled, he told a West Coast Electronic Manufacturers Assn. meeting in San Mateo. Unbalance of new Sylvania business from armed forces has company "concerned," he said, and he wants to keep military sales down to 25% of total but will find it difficult to do in \$400,000,000-plus business (vs. \$350,000,000 in 1957) he expects in 1958.

"A Local Affair" titles rep Peters, Griffin, Woodward's new 22-min. 70-color-slide presentation promoting spot TV. It's aimed at food brokers, district sales mgrs., etc., stresses regional & seasonal buying habits.

"Broadcast Application Procedure" is new 4-page FCC primer (Information Bulletin No. 1-B), available from Federal Communications Commission, Washington 25, D.C.

Network Strikes Averted: National agreements reached last week end by NABET with NBC & ABC in Boston negotiations and by IBEW with CBS in Washington talks removed immediate threats of strikes against networks by 4000 employes. Deadline for walkouts had been set for midnight Jan. 31 on expiration of old contracts. But negotiators worked out new terms—subject to expected rank-&-file ratification—for 2-year packages including wage increases bringing \$180 weekly minimum to senior technicians. Not won by either union: Demand for 4-day week (Vol. 13:49). On other labor fronts: (1) IUE pres. James B. Carey called on President Eisenhower to draft "full employment" program for electronics-electrical manufacturing industry. (2) Old IBEW-IATSE jurisdictional dispute over lighting work (Vol. 13:49) forced CBS-TV to cancel Feb. 3 *Let's Take a Trip* show aboard liner *United States* at N. Y. pier, filmed visit to N. Y. Police Academy being substituted. (3) Screen Actors Guild opened N. Y. negotiations with TV film commercial producers & ad agencies. (4) RCA's Victor Record div. was hit Feb. 3 by quickie strike of 71 NABET Local 11 members who picketed N. Y. recording studios. Contract dispute was settled next day. (5) UAW radio commentator Herbert W. Hoover was fired by union for criticizing its profit-sharing plan in broadcast over WBBC, Flint.

CBS won another round in hassle with IBEW Local 1212 over cancelled telecast of Antoinette Perry "Tony" award ceremonies last spring (Vol. 13:49), NLRB dismissing unfair labor charge filed by union, which complained CBS-TV technical operations director Robert G. Thompson "vilified" local in speech to employes. Earlier, NLRB held IBEW had no right to force network to favor it over IATSE in operating lighting equipment on remote telecasts.

Control of KNAC-TV, Ft. Smith, Ark. (Ch. 5) is being acquired by Harry Pollock, increasing holding from 1/3 to 83.33%. Transfer application filed with FCC Feb. 7 shows he's paying \$175,000 for shares held by George T. HERNREICH, who had acquired 50% from Salome NAKDIMEN for \$75,000 plus assumption of \$75,000 in obligations. Pollock previously bought 33.33% and his family-owned Harry Newton Co. 16.67% from Mrs. NAKDIMEN for \$61,500, Pollock agreeing to lend station \$125,000 (Vol. 13:19, 26). Dec. 31 balance sheet shows \$35,699 loss in 1957, \$38,922 in 1956, with current assets of \$23,965, current liabilities \$8675, fixed assets \$200,622, notes payable \$187,000, contracts payable \$103,532.

"National Brotherhood Awards" for 1958 to TV programs, made this week by National Conference of Christians & Jews: "Clinton & the Law," "The Puerto Ricans" & "The Lady from Philadelphia" on *See It Now* (CBS); "The Green Pastures" on *Hallmark Hall of Fame* (NBC); "The Negro in American Life—A Long View," presented by Metropolitan Educational TV Assn. on WCBS-TV, N. Y.; *Ideas in Action*, KARD-TV, Wichita; *Unfinished Business*, WTCN-TV, Minneapolis. Winners of TV "certificates of recognition": *Dean Pike* (ABC), *Look Up & Live* (CBS), *Outlook* (NBC). Award for radio program: "The Crisis at Little Rock" (NBC).

New-type business: National Assn. of Insurance Agencies has budgeted \$1,000,000 for ad campaign, largely TV spots, thru Doremus & Co.

Paul H. Chapman Co., station brokers, has moved Atlanta headquarters to 1182 W. Peachtree St. (phone, Trinity 5-5591).

1957 RECAP—RADIOS, TRANSISTORS BOOMED: Official custodian of industry's statistics, compiled from confidential individual reports from all important manufacturers save non-member Admiral, whose figures are estimated, Electronic Industries Assn. this week released full-year recapitulation of 1957 TV, radio, tube & transistor production and sales. These are perennial guideposts for production-marketing planners, can be compared with previous years' figures in our upcoming TV Factbook No. 26. The only key figures missing are those for phonos (notably hi-fi) and there's movement afoot to start making these available soon on monthly basis. The 1957 figures show:

(a) Radio production exceeded 15,000,000, as predicted (Vol. 13:49), for an 8-year high. Retail sales of home radios, missing 10,000,000 by a shade, enjoyed 6th highest year in radio's 35-year history.

(b) TV output fell 1,000,000 units from 1956 -- but retail sales eased only 200,000 units, leaving dealer inventory in good shape at 810,000 units at year's end vs. 1,085,000 at end of 1956.

(c) Transistor sales more than doubled in year, unit-wise -- to 28,738,000 from 12,840,000 (see p. 13) -- and production boom drove factory price of average transistor down to \$2.40 from \$3.10 year earlier.

(d) TV picture tube sales, conforming to set production pattern, went down more than 1,250,000 units, and average factory value of picture tube also went down slightly (p. 13). Receiving tube sales were off some 8,000,000 units, but factories nevertheless recorded their 3rd highest year (p. 13). The TV-radio unit figures for 53-week statistical year ended Jan. 3, 1958:

	1957 Production			1957 Retail Sales	
	Total TV	Total Radio	Auto Radio	Total TV	Home Radio
January.....	450,190	1,085,529	521,624	623,359	563,363
February.....	464,697	1,264,765	522,859	525,437	525,029
March (5 wks).....	559,842	1,609,073	597,532	534,115	730,584
April.....	361,246	1,115,813	380,452	337,965	543,092
May.....	342,386	1,023,771	396,151	339,757	547,480
June (5 wks).....	543,778	1,088,343	416,058	389,770	729,421
July.....	360,660	612,588	256,279	426,294	597,484
August.....	673,734	965,724	301,971	510,097	710,553
September (5 wks).	832,631	1,610,748	446,419	705,247	893,366
October.....	661,994	1,569,180	522,746	572,589	923,849
November.....	574,646	1,688,868	563,066	612,211	925,620
December (6 wks)..	<u>573,541</u>	<u>1,793,336</u>	<u>570,617</u>	<u>923,339</u>	<u>2,031,444</u>
TOTAL.....	6,399,345	15,427,738	5,495,774	6,560,220	9,721,285

Transistorization: EIA reports 49% of all portable radios were transistorized last year, as were 51% of all auto radios -- and you can bet that even more will be this year as the industry touts new lines for extra-set, vacation, gift markets starting in next few weeks. Transistor radio business was the profitable end of the radio market last year -- but odds right now are against stability. Not only reduced price of transistors and fierce domestic competition, but Japanese imports, and to a lesser extent as yet German, loom as ominous competitive threat.

Big Macy's dept. store, it's understood, will soon break with offering of a Japanese transistor portable at less than \$30. Already on market is "Sony" brand, 6-transistor portable, exactly size of 2 packs of cigarets, offered at \$29.95; its American agent is Delmonico International, 42-24 Orchard St., Long Island City, N.Y. (Al Friedman, pres.). And Hatachi's diminutive 6-transistor set, said to offer su-

perb quality reproduction, is due soon at \$29.95 or thereabouts; its American agent is Electronic Utilities Corp., 153 W. Huron St., Chicago (Paul Davidson, pres.).

First U.S. spring entry is Trav-Ler's 5-transistor portable, which carries \$29.95 list. Said one of biggest radio manufacturers: "This year [1957] looks like the last year for high-end transistor portables..."

TV-Radio Production: TV set production was 119,748 in week ended Jan. 31 vs. 103,444 preceding week & 111,921 in 1957 week. Year's 4th week brought production to 446,390 vs. 450,190 last year. Radio production was 245,861 (79,890 auto) vs. 232,845 (80,036 auto) in preceding week & 302,863 (147,948 auto) last year. For 4 weeks, production totaled 934,763 (346,074 auto) vs. 1,046,716 (521,624 auto).

Trade Personals: Lester J. Neuman & John Marchese, both ex-Sears Roebuck, named to posts as president & v.p. respectively of Warwick Mfg. Co., succeeding John S. Holmes & Gordon G. Brittan, who resigned following sale of their Warwick stock to Sears (Vol. 14:4) . . . Wesley E. Wood promoted to new post of N. Y. district sales mgr., DuMont TV tube div. . . Charles H. Griffith retires as sales v.p. of International Resistance Co., for reasons of health; successor not yet named . . . C. Edward Sharp promoted to mgr., personnel, of RCA semiconductor div. . . James P. Patton, GE Providence mgr., elected pres. of Electrical League of R. I., succeeding A. Victor Bartlett Jr., Rust Electric . . . Wm. F. Riordan, ex-Northrop Aircraft, named mgr. of customer relations for western region of Sylvania electronic systems div. . . Glen C. Tillack, ex-Packard-Bell, named to new post of sales operations mgr., Kierulff Sound Corp., Los Angeles . . . Morton M. Tillman, ex-Emerson, named sales mgr. of new Premier div., Pentron Corp. . . Thomas C. Flynn, ex-Federal Telephone, ex-DuMont, named mgr. of trade press for IT&T public relations dept. . . Donald E. Roark named RCA TV mgr., southern region, succeeding late J. M. Jones.

James M. Toney named Feb. 6 as v.p.-gen. mgr. of RCA Victor TV Div., Camden, being succeeded by Raymond W. Saxon, ex-director of all RCA regional operations, elected by RCA board Feb. 7 to be v.p.-gen. mgr. of RCA Victor Radio & Victrola Div. Toney succeeds Charles P. Baxter, who asked to be relieved of duties and will be re-assigned. Both Toney and Saxon report to Robert A. Seidel, exec. v.p., consumer products. TV division's topside, reporting to Toney, will include Warren E. Albright, mgr. of production; G. K. Bryant, marketing mgr.; David Cole, chief engineer; F. R. Demmerly, controller; P. S. Slanika, personnel. Merchandising mgr. Allen B. Mills reports to Bryant.

Dr. James Hillier, gen. mgr., RCA Laboratories, Princeton, was elected Feb. 7 to v.p. in charge. Joseph M. Hertzberg, mgr. defense marketing since last July, was elevated to v.p., defense marketing, reporting to A. L. Malcarney, exec. v.p., defense electronic products.

Obituary

Dr. Clinton J. Davisson, 76, co-winner of 1937 Nobel Prize in physics for demonstration of electron wave properties, member of Bell Labs research staff for 29 years before retirement in 1946, died Feb. 1 at home in Charlottesville, Va..

Louis A. Durgin, 45, DuMont Labs senior engineer, died Jan. 25. With DuMont since 1944, he became senior engineer in 1953, was assigned to DuMont mobile communications dept. in 1955. Surviving are widow, 3 sons, daughter.

Both picture and receiving tube unit sales at factory dropped in 1957, according to EIA year-end tally, conforming to year's set production drop of 1,000,000 TV units (see p. 12). Factory sales of picture tubes fell to 9,721,008 units from 10,987,021 in 1956 and factory value dipped to \$183,231,337 from \$196,220,240. Receiving tubes, though recording 3rd highest year, dropped to 456,424,000 units from 464,186,000, but factory values inched up to \$384,402,000 from \$374,186,000. The EIA breakdown of monthly sales by units & dollars for 53-week year:

	Picture Tubes		Receiving Tubes	
	Units	Value	Units	Value
January	760,860	\$ 13,594,525	37,571,000	\$ 31,170,000
February	728,363	13,134,778	44,460,000	36,631,000
March (5 wks)	833,257	14,850,847	43,010,000	37,007,000
April	629,838	11,394,043	27,970,000	25,384,000
May	758,328	14,031,519	32,836,000	28,955,000
June (5 wks)	1,104,013	19,981,319	35,328,000	31,314,000
July	491,935	9,835,586	33,077,000	27,042,000
August	930,296	17,984,185	43,029,000	34,886,000
Sept. (5 wks)	1,071,662	20,819,036	44,382,000	35,545,000
October	995,629	19,495,574	47,075,000	38,421,000
November	772,801	15,138,438	39,950,000	33,166,000
Dec. (6 wks)	664,026	12,971,487	27,736,000	24,881,000
TOTAL	9,721,008	\$183,231,337	456,424,000	\$384,402,000

Factory sales of transistors more than doubled in 1957, according to EIA year-end tally. Unit sales boomed to 28,738,000 from 12,840,000 in 1956 with factory value of \$69,739,000 vs. \$37,352,000. EIA monthly breakdown of factory sales in units & dollars for 53-week year 1957:

	1957 Sales	1957 Sales	1956 Sales
	(units)	(dollars)	(units)
January	1,436,000	\$ 4,119,000	572,000
February	1,785,300	5,172,000	618,000
March (5 wks)	1,904,000	5,321,000	708,000
April	1,774,000	4,880,000	832,000
May	2,055,000	5,636,000	898,000
June (5 wks)	2,245,000	6,121,000	1,130,000
July	1,703,000	4,216,000	885,000
August	2,709,000	6,598,000	1,315,000
September (5 wks)	3,231,000	6,993,000	1,115,000
October	3,544,000	7,075,000	1,290,000
November	3,578,700	6,989,000	1,829,000
December (6 wks)	2,773,000	6,619,000	1,608,000
TOTAL	28,738,000	\$69,739,000	12,840,000

GE and Westinghouse came out with their spring lines of transistor portables this week, in addition to which Trav-Ler offered three 8-transistor models (2 at \$39.95, one table model at \$69.95) in addition to the 5-transistor portable it placed on market at \$29.95 (see above). GE's models: 5-transistor, 2-diode, 19-oz. "pocket" model, \$39.95; 6-transistor, single-diode, "pocket" model, \$49.95; 6-transistor portable, 4 lbs. in cowhide case, \$59.95; 5-transistor, single-diode portable, \$44.95. Westinghouse is showing 6-transistor "miniature" with 2 3/4-in. speaker, \$49.95; 5-transistor "semi-miniature" with 3 1/2-in. speaker, \$39.95. Westinghouse also is showing its first AM-FM radio since 1954, a 7-tube table model with 10x2 1/2-in. out-front speaker and phono jack, \$69.95.

This year's National Television Week will be observed Nov. 16-22, co-sponsored by NAB, EIA, TvB, NARDA.

TV & Radio Shipments: Manufacturers' shipments to dealers by states, released this week by EIA, show 5,515,031 TVs shipped in first 11 months of 1957 vs. 6,051,266 in same 1956 period; 7,852,366 radios (excluding auto) were shipped in 11 months vs. 6,862,549 last year. Figures showing shipments to dealers by counties are no longer being issued by EIA. The 11-mo. shipments by states:

State	TV	Radio	State	TV	Radio
Ala.	76,364	95,544	N. J.	194,416	312,230
Ariz.	34,603	38,191	N. Mex.	20,428	24,485
Ark.	48,771	44,613	N. Y.	642,227	1,209,546
Cal.	520,674	584,704	N. C.	109,439	118,312
Colo.	45,072	54,358	N. D.	19,869	18,562
Conn.	87,546	108,598	Ohio	311,308	461,305
Del.	13,593	15,009	Okla.	63,946	81,001
D. C.	58,806	73,357	Ore.	54,055	64,970
Fla.	195,843	181,793	Pa.	389,619	607,875
Ga.	108,155	142,668	R. I.	29,485	45,463
Ida.	16,974	18,179	S. C.	42,143	48,888
Ill.	336,739	670,508	S. D.	21,126	17,994
Ind.	142,471	145,647	Tenn.	91,243	105,803
Iowa	64,555	91,519	Tex.	285,638	362,935
Kans.	64,244	66,318	Utah	23,095	28,184
Ky.	88,855	112,163	Vt.	10,831	17,244
La.	99,584	119,307	Va.	91,410	122,931
Maine	29,935	42,813	Wash.	84,242	107,499
Md.	75,604	149,500	W. Va.	59,720	61,725
Mass.	166,113	278,501	Wis.	100,350	167,337
Mich.	212,589	333,335	Wyo.	11,538	9,215
Minn.	85,332	121,229	TOTAL U. S.	5,500,447	7,833,651
Miss.	45,087	48,151	Alaska	3,336	3,545
Mo.	132,219	199,741	Hawaii	11,248	15,170
Mont.	26,661	4,422	GRAND TOTAL	5,515,031	7,852,366
Neb.	43,645	45,696			
Nev.	9,296	11,347			
N. H.	14,988	25,935			

More reports on 1957 TV sales by regions, as compiled by local electrical leagues & utilities (see also Vol. 14:5): Greater Dayton—Dealers sold 22,864 TVs in 1957 vs. 26,788 in 1956, 2602 TVs in Dec. 1957 vs. 3594 in Dec. 1956; color sales were 313 for 1957, 137 for Dec. 1957 and no comparable 1956 figures are given; radio sales were 16,105 in 1957 vs. 15,241 in 1956, 3452 in Dec. 1957 vs. 4101; phono & hi-fi sales were 7669 in 1957 vs. 7620 in 1956, 2807 in Dec. 1957 vs. 2050. Bridgeport, Conn.—Dealers sold 8096 TVs in 1957 vs. 9617 in 1956, 977 in Dec. 1957 vs. 1085. San Francisco—Dealers sold 31,500 black-&-white TVs in 1957 vs. 38,204 in 1956, 3852 in Dec. 1957 vs. 4474; 517 color TVs in 1957 vs. 465, 69 in Dec. 1957 vs. 116; 28,638 radios in 1957 vs. 32,184 in 1956, 6043 in Dec. vs. 6974. Kansas City—Dealers sold 6266 TVs in Dec. 1957 vs. 8718 in 1956, 260 color TVs in Dec. vs. 251; 15,870 radios in Dec. 1957 (no other comparable figures given). Dallas—Dealers sold 36,309 TVs in 1957, 4443 in Dec. 1957; 31,691 radios in 1957, 7142 in Dec.

Mergers & acquisitions among TV-radio-appliance manufacturers are due for close scrutiny by Senate Small Business Committee which met Feb. 5 and announced 31-point agenda for 1958 (Vol. 14:4). Inquiry, date not set, will be handled by Sen. Humphrey's (D-Minn.) subcommittee on retailing, distribution & fair trade practices. Other members are Senators Morse (D-Ore.), Bible (D-Nev.), Goldwater (R-Ariz.), Schoepfel (R-Kan.). Humphrey said subcommittee will look into "concentration at the distributors' level" with particular attention to dealer franchise agreements, discount house impact on distribution and status of fair trade.

False use of brand names of Westinghouse and GE electrical appliances was charged this week by Federal Trade Commission against 3 N. Y. firms alleging misrepresentation of trade names in connection with their products (FTC complaints 7029-7031).

Western Electronic Show & Convention, for Aug. 19-22 technical sessions, is inviting summaries of suggested papers to be sent before May 1 to Dr. Robert C. Hansen, microwave lab, Hughes Aircraft Co., Culver City, Cal.

DISTRIBUTOR NOTES: Admiral promotes Wm. Oppenheim to gen. mgr. of Baltimore & Washington branches; Howard L. Rendelman promoted to new post of TV, radio, hi-fi mgr. of Washington branch; Joseph J. Casale will supervise Baltimore operations under Oppenheim who will headquarter in Washington . . . Philco's Walter Ostman resigns as gen. mgr. of Los Angeles factory distribution branch . . . Emerson changes name of Emerson Radio of N. Y. Inc. to Emerson Radio Associates Inc.; Michael Kory continues as pres. with added supervision over N. J., Westchester, L. I. & Newburgh branches where gen. mgrs. retain posts . . . Radio Sales Corp., Chattanooga (Philco), elects James M. Brown pres., succeeding the late E. R. Betterton; Mrs. E. R. Betterton succeeds Brown as v.p. . . . Hotpoint promotes L. W. Hitchcock to branch mgr. of HASCO, Miami, succeeding A. M. Killebrew, transferred to Jacksonville branch . . . Westinghouse names J. J. Riggs to district mgr. Westinghouse Appliance Sales, Detroit; he's ex-laundry merchandising mgr. at Mansfield factory . . . Graybar promotes R. W. Wright to operating mgr. of Jacksonville branch . . . Bell Sound Systems appoints 5 Graybar branches (Philadelphia, Reading, Pittsburgh, Wilmington, Washington) for tape recorders & stereo systems; names Harold Keller as area sales rep . . . Erie Resistor Corp. appoints Cameradio Co., 1121 Penn Ave., Pittsburgh and Electronic Parts Corp., 223 N. Broad St., New Orleans, for full line of Corning Glass electronic components; names R. L. Gentry New England distributor sales rep . . . Webeor Inc. sets up factory-owned distributing branch at 1516 S. Wabash St., Chicago (Gordon Hough, ex-Motorola, mgr.) replacing Lincoln Radio & TV . . . Ampex names Roy F. O'Sullivan, ex-Magnavox, Middle Atlantic (Philadelphia) district mgr. of Ampex Audio Inc., its consumer hi-fi div., succeeding P. Williams . . . Delmonico International, N. Y., (import brands) becomes sole importer and distributor for Kuba line of German hi-fi, succeeding Kuba Import Co. Ltd., Washington . . . Sampson Co., Chicago (import brands) elects Peter Sampson to new post of chairman; Robert L. Sampson, ex-exec-v.p., succeeds him as pres.; E. I. Rosenthal, ex-secy., promoted to v.p., succeeded by E. C. Levy.

ELECTRONICS PERSONALS: Rudolph Sachs, ex-CBS-Hytron, elected v.p., General Transistor Corp., in charge of new diode & rectifier mfg. div. . . John M. Nesbit, ex-Burroughs, joins Philco govt. & industrial div. as Transac Computer sales mgr. . . Lewis J. Shiolen promoted to gen. mgr. of Erie Resistor Corp. electronics div. . . Charles A. Barnes, ex-Borg-Warner, named controller of P. R. Mallory . . . Herbert W. Ziebolz named asst. to engineering v.p. of General Precision Equipment . . . Joseph P. Adonizio named eastern regional mgr. of Beckman scientific instruments div.

New outer space agency at Pentagon is headed by GE v.p. Roy W. Johnson, consultant to consumer products group (TV, air conditioners, etc.), who has specialized in electronics last 6 years. Defense Secretary McElroy said Johnson, a GE v.p. since 1948, will take office April 1 as director of Advanced Research Projects Agency (ARPA), responsible for directing research on space vehicles, anti-missile missiles, other new weapons.

Philip D. Reed, GE chairman, and Erwin D. Canham, editor, *Christian Science Monitor*, nominated by President Eisenhower for new 3-year terms as members of USIA's Advisory Commission on Information.

Financial Reports:

Zenith stockholders will vote Feb. 27 on proposal to change from Illinois to Delaware corporation, with proxies being solicited for vote on 2-for-1 stock split. There now are 492,464 shares outstanding (7536 more being held by the corporation) with no other voting securities of any kind outstanding, and it's proposed to increase these to 984,928 in new Dela. corporation. Last SEC reports showed pres. Eugene F. McDonald Jr. owning 10,462 shares personally, 37,031 more through Seneca Securities Corp. (Vol. 13:50)—thus voting, in all, about 10% of presently outstanding stock. Listed on N. Y. Stock Exchange, Zenith ranged from 91¼ to 140 during 1957 (when McDonald increased Seneca holdings by 3300 shares).

Magnavox had record earnings of \$2,407,508 (\$2.54 per share) on all-time high sales of \$48,354,485 in last 1957 half vs. \$2,276,539 (\$2.39) on \$46,395,187 in corresponding 6 months of 1956, fulfilling predictions by pres. Frank Freimann (Vol. 13:52). In quarter ended last Dec. 31, net profits were \$1,487,358 (\$1.59) on \$29,132,280 vs. \$1,486,206 (\$1.58) on \$29,358,000 in 4th quarter of 1956. TV & hi-fi phono sales in Jan. were highest in Magnavox history, Freimann reported, promising "exceptionally good" results in first 1958 quarter. Backlog of military orders is \$30,000,000.

Reports and comments available: On the International Geophysical Year, in *Investor's Reader*, published by Merrill Lynch, Pierce, Fenner & Smith, any local office. On CBS, in weekly review of Fahnestock & Co., 65 Broadway, N. Y. or local offices. On Raytheon, in article about its stake in missiles in Feb. 1 *Forbes Magazine*. On Time Inc., in brief by Schirmer, Atherton & Co., 50 Congress St., Boston. On IT&T, in analysis by Lawrence Lewis of Pershing & Co., 120 Broadway, N. Y.

Dividends: Raytheon, 5% stock payable March 5 to stockholders of record Feb. 20; Television-Electronics Fund, 8¢ Feb. 28 to holders Feb. 3; Paramount Pictures, 50¢ March 14 to holders Feb. 26; Walt Disney Productions, 10¢ April 1 to holders March 14; United Artists, 35¢ March 28 to holders March 14.

Walther H. Feldmann, pres. of Worthington Corp. and director of Fidelity Union Trust Co., Newark, elected a director of Tung-Sol.

Counteroffensive: Joint \$2,300,000 advertising & public relations campaign to recapture audiences from TV was announced this week by Motion Picture Assn. of America and Theatre Owners of America. Statement by pres. Eric Johnston of former and exec. v.p. Sam Rosen of Stanley Warner Corp., speaking for latter, said drive had been planned 2 years, denied it was "crash" program. Theme ("Get More Out of Life, Go Out to the Movies") will be promoted initially with \$900,000 earmarked for newspapers, \$300,000 for spot radio, \$650,000 for Academy Awards telecast March 26.

WJR, The Goodwill Station Inc., Detroit, traded over the counter, reports 1957 net income & sales were highest in 8 years, reflecting general upturn in radio billings. Indicated earnings of big AM outlet, which also holds much-litigated CP for Flint Ch. 12, were \$503,212 (87¢ per share on 572,552 shares outstanding) on sales of \$3,570,773 last year vs. \$478,112 (83¢) on \$3,516,764 in 1956. Company earned \$274,739 (47¢) in 1955.

Walt Disney Productions net income slipped to \$527,684 (34¢ per share) in first fiscal quarter ended last Dec. 28 from \$685,601 (46¢) year earlier, pres. Roy O. Disney attributing decline largely to seasonal winter loss from Disneyland park. He said "substantial profit" is expected from park in full fiscal 1958, that earnings from new theatrical features will further boost returns for last 3 quarters. Diversified Disney enterprises are subject of admiring article in Feb. 4 *Wall St. Journal*, incidentally. It points out that indirect income from TV doesn't show up as such on consolidated statements, but that TV accounted for \$8,800,000 Disney revenues last year—"more than half as much as its revenues from movie rentals."

Warner Bros. lost \$467,000 in first fiscal quarter ended last Nov. 30 vs. net income of \$1,569,000 (85¢ per share) in same period year earlier, loss including \$550,000 tax credit. Gross income from film rentals & sales during quarter totaled \$15,764,000 vs. \$20,718,000 year earlier, poorer showing attributed by company to such factors as Asian flu cutting theatre attendance, general dip in domestic & foreign rentals. No estimate of results for current quarter ending March 1 was offered by pres. Jack L. Warner, but he said he was "hopeful" of profit. In 1957 fiscal year ended Aug. 31 (Vol. 13:49), company earned \$3,415,000 (\$1.90) on total revenues of \$75,476,000, latter figure including \$15,295,408 from sale of old films to TV.

Universal Pictures earnings dropped to \$2,843,833 (\$2.83 per share) in 52-week fiscal year ended last Nov. 2 from \$3,993,146 (\$4.06) in 53-week fiscal 1956. Earnings included \$692,000 TV income from Screen Gems syndication of old movies last year, when total film rentals & sales were \$72,441,575 vs. \$77,609,698 in 1956. Statement to stockholders noted that "drastic economies" in studio operations—now virtually shut down—had been effected because Universal was confronted with continuing drop in boxoffice.

Republic Pictures, which recently closed reported \$2,000,000 deal with 6 NBC o-&o stations for release of post-1948 features (Vol. 14:3), lost \$1,362,420 in fiscal year ended Oct. 26, 1957 vs. net income of \$758,401 (18¢ per share) year earlier. Loss included \$500,000 tax credit.

BBC's weekly *Radio Times*, with 1957 paid circulation of 8,259,371, claims biggest periodical circulation in the world.

Emerson Radio's research subsidiary, with labs at 701 Lamont St., Washington, and 1140 East-West Highway, Silver Spring, Md., is subject of "success story" in Feb. 2 *Washington Post*. It relates how idea of Dr. Harold Goldberg, its 44-year-old exec. v.p., and Dr. Donald P. Burcham, 41, operating v.p., has grown in 4 years into enterprise that handles half of Emerson's research & development contracts, mostly defense. Labs employ 250, did \$3,000,000 business last year. Goldman & Burcham were formerly chief and deputy chief, respectively, of Bureau of Standards' ordnance electronics div.

Erie Resistor acquires Hupp Instrumentation Co., Los Angeles digital instrument manufacturer, merging it with electro-mechanical div., Hawthorne, Cal.; Ross E. Hupp, founder, joins Erie div. to direct manufacturing & marketing.

Hallamore Electronics has installed \$300,000, 36-camera-receiver chains for closed-circuit observation of rocket tests at Aerojet-General Corp., Sacramento, Cal., is building 24-unit system for Martin Co. Denver plant.

COMMON STOCK QUOTATIONS

Week Ending Friday, February 7, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
14 1/2	6 1/2	Admiral	8 1/2	+ 1/2	376 1/2	270 1/2	IBM 2.40b	335	+13 1/2
27	16 1/2	AmBosch 1.05g	20 1/4	- 1/2	37 1/4	25 1/4	IT&T 1.80	30 1/2	+ 1/2
24 1/2	11 1/2	Am Bcstg-Para 1	14 1/4	+ 1/2	50 1/2	33	I-T-E CirB1 1/2 d	38 1/2	-1 1/4
43 1/4	29 1/2	AmMach&F 1.60	36 1/2	+ 1/2	10 1/2	7 1/2	List Indust 1/2 e	7 1/2	+ 1/2
179 1/2	160	AT&T 9	171 1/4	+ 1/2	56 1/2	29 1/2	Litton Ind	39 1/4	- 1/2
33 1/2	19 1/2	Amphenol 1.20	25 1/2	+ 1/2	22	11 1/4	Loew's	14	- 1/2
36 1/4	28	Arvin 2	28 1/2	- 1/2	44	28 1/2	Magnavox 1 1/2 b	35 1/2	+ 1 1/4
7 1/4	4 1/2	Avco 10g	6 1/2	- 1/4	50 1/4	23 1/2	Mallory 1.40b	26 1/4	-1 1/2
47 1/4	21	Beckm Inst 1 1/4 f	21 1/2	-2 1/2	131	73 1/2	Mpls. H'll 1.60a	82 1/2	+ 1/4
66 1/4	42	Bendix Av 2.40	48 1/2	+ 1/2	51 1/4	35 1/4	Motorola 1 1/2	40	- 1/2
52 1/2	27 1/2	Burroughs 1	30 1/2	+ 1/2	9 1/2	7	Nat'l Thea 1/2	7 1/2	+ 1/2
25 1/2	15 1/2	Clevite 1.15g	17 1/2	+ 1/4	36 1/2	28	Paramount 2	38 1/2	+3 1/4
36 1/2	23 1/2	CBS "A" 1b	27 1/2	+ 1/2	18 1/2	11	Philco %f	14 1/4	+ 1/4
35 1/2	22 1/2	CBS "B" 1b	26 1/2	- 1/2	40	27	RCA 1a	34	- 1/2
20 1/2	11 1/2	Col Pictures %at	13 1/2	- 1/2	23 1/4	16 1/2	Raytheon	23	+ 1/2
54 1/2	25 1/2	Cons Elec 40a	28 1/2	- 1/2	8 1/4	4 1/4	Republic Pic	6 1/4	- 1/2
35 1/2	18	Cons Electron	21 1/4	+ 1/2	39 1/4	29 1/4	Sang Elec 1.80	34 1/2	+ 1/4
27 1/2	12 1/2	Cor-Dub 1.20	14 1/2	- 1/2	18	12 1/2	Siegler .80	14 1/2	- 1/4
106 1/4	57 1/4	Corning Glass 1a	78 1/4	-2 1/2	6 1/4	2 1/2	Spartan	3 1/2	- 1/2
6 1/2	3 1/2	Davega	3 1/2	- 1/4	26 1/2	17 1/2	Sperry Rand .80	19 1/2	- 1/2
47	27 1/2	Daystrom 1.20	31 1/4	- 1/4	9 1/2	5 1/4	Standard Coil	7 1/4	- 1/2
19 1/2	13 1/2	Decca 1	15	- 1/4	18 1/2	13 1/2	Stanley-War 1	15 1/2	- 1/2
15 1/2	13	Disney 40b	17 1/2	+ 1 1/4	41 1/2	27 1/4	Stew Warner 2b	30 1/4	- 1/2
115	81 1/4	East Kod .90e	105	+ 2	29 1/4	18 1/4	StorerBestg 1.80	22 1/4	- 1/4
34	22 1/2	Emer Elec 1.60	32 1/2	+ 1 1/2	46 1/4	29 1/4	Sylvania 2	36 1/4	+ 1/2
10 1/4	3 1/4	Emerson Radio	4 1/2	+ 1/4	31 1/2	15 1/2	Texas Instru	28 1/2	+ 1/2
68 1/2	36 1/4	Gabriel .60	8 1/2	+ 3/4	89 1/4	46	ThompProd 1.40	47 1/2	+ 1/2
68 1/2	46 1/4	Gen Dynamics 2	62 1/2	+ 2	37 1/2	21 1/4	Tung-Sol 1.40b	24 1/2	+ 1/2
72 1/2	52 1/2	Gen Electric 2	62 1/2	- 1/2	30 1/4	19 1/2	20thC-Fox 1.60	24 1/4	- 1/2
8 1/4	4	Gen Inst .15g	5 1/2	+ 1/2	25 1/2	15	United Art 1.40	18 1/2	+ 1 1/2
47 1/4	30 1/4	GenPrEquip 2.40	40	- 1/2	30 1/4	18 1/4	Univ. Pict 1a	20 1/4	- 1/4
30 1/2	22 1/2	General Tire .70	27 1/2	+ 1/2	28 1/2	16 1/2	Warn Bros 1.20	18 1/4	+ 1 1/4
45 1/4	36 1/4	Gen Telephone 2	43 1/4	+ 1/2	68 1/2	52 1/2	Westingh El 2	64	+ 1/4
25 1/4	17 1/4	Hoffman Elec 1	22 1/2	- 1/2	140	91 1/4	Zenith 3a	128 1/2	-1 1/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/4	.....	44 1/2	29 1/4	Hazeltine 1.40b	35 1/2	- 1/2
52 1/2	19 1/2	Allied Con 1a	38 1/4	.....	3 1/2	2 1/2	Herold Ra .15g	2 1/2	.....
21 1/2	11	Amer Electro 1/2	14	- 1/2	6 1/2	3 1/2	Int Resist .20	4 1/4	- 1/4
11 1/4	6 1/2	AssocArtProd	9 1/4	+ 1/4	8 1/4	4	Lear	5 1/4	+ 1/4
12 1/4	4 1/2	Audio Dev .05d	9 1/2	.....	1 1/2	3/4	Muntz TV	1 1/2	.....
13 1/2	6 1/4	Belock Inst 1/2 f	7	- 1 1/2	3 1/2	2 1/2	Muter Co .1/4 t	2 1/2	- 1/2
1 1/4	3/4	C & C TV	1 1/2	- 1/2	9 1/4	5 1/2	Nat'l Telefilm	6 1/2	+ 1/2
5	2 1/2	Clarostat .15g	3 1/2	- 1/2	2 1/2	1	Nat Union El	1 1/2	.....
6 1/2	3	DuMont Lab	4 1/2	- 1/4	11 1/4	3 1/4	Norden-Ketay	3 1/2	- 1/2
7 1/2	2 1/2	Dynam Am	4	+ 1/4	5	3	Oxford El .10d	3 1/2	- 1/4
12 1/2	8	Electronic Com	12 1/2	.....	20 1/2	10 1/4	Philips El	14 1/2	+ 1/4
12 1/2	5 1/2	Electronics Cp	7	- 1/2	12 1/2	6 1/2	Servomech .40	7 1/2	- 1/2
28 1/2	16	Fairch Cam 1/2 g	26 1/2	+ 1/4	9	3 1/2	Skiastron	4 1/4	- 1
30	8 1/4	General Trans	22	- 1/2	8 1/2	2 1/2	Technicolor	4	- 1/2
28 1/2	17	Globe Un 1.20b	16 1/2	- 1/2	5 1/2	3 1/2	Trans-Lux .20g	4 1/2	.....
4 1/4	2 1/2	Guild Films	3	- 1/2					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind	2 1/2	2 3/4	Magna Theatre	2 1/4	3 1/4
Aerovox	3 1/2	4 1/2	Maxson (W. L.) .05	6	6 1/2
Airborne Inst	44	47	Meredith Pub 1.80a	27 1/2	29
Altec Co .80	7 1/2	8 1/2	National Co (4% stk)	10 1/4	11
AMP Inc .50	17 1/2	19	Oak Mfg 1.40	15 1/4	16 1/4
Ampex	49	52	Official Films .10	1 1/2	1 1/4
Baird Atomic	12	13	ORRadio	15 1/2	17
Cinerama Inc	11 1/2	12 1/4	Pacific Mercury TV	5 1/2	6
Cinerama Prod	2 1/4	2 3/4	Packard-Bell .50	11 1/2	12
Cohu Electronics	7 1/2	8 1/2	Panellit	5 1/2	5 1/2
Collins "A" .35	14	16	Perkin-Elmer	25 1/2	27
Collins "B" .35	13 1/4	15 1/4	Philips Lamp (14% of par)	32 1/2	34
Cook Elec. 40d	21 1/4	23	Reeves Soundcraft (stock)	2 1/2	3 1/4
Craig Systems	4 1/2	5 1/4	Selectvision Inc.	1 1/4	1 1/4
DuMont Bcstg	7 1/2	8 1/2	Sprague Electric 1.20	29 1/2	32
Eitel-McCullough (5% stk)	29 1/2	32	Taylor Instrument 1.20	29 1/2	31 1/4
Elec Assoc (stk)	39 1/2	42	Tele-Broadcasters	2 1/4	3 1/2
Erie Resistor .40b	7 1/2	8 1/4	Telechrome .30	5 1/2	6
Friden Ind. 1	40	43	Telecomputing	4 1/2	5
Giannini, G. M.	14 1/2	15	Teleprompter (stock)	6	7
Granco Products .05	1 1/4	1 1/4	Time Inc. 3.75	62	65
Gross Telecasting 1.60	16 1/2	18	Topp Industries (stock)	10 1/2	10 1/2
Hewlett-Packard	23	25	Tracerlab	4 1/4	5 1/2
High Voltage .10g	24	26	Trav-Ler	1	1 1/4
Hycon	3	3 1/2	United Artists	4 1/2	5
Indiana Steel Products 1.20a	19	20	Varian Associates	14	15
Jerrold	2	2 1/2	Victoreen Inst.	6 1/4	7 1/2
Ling Industries	6 1/4	6 1/4	Webcor .25g	12 1/2	12 1/2
Leeds & Northrup .60b	20 1/2	21	Wells-Gardner	6 1/2	7 1/4
Machlett Labs .25g	14	15 1/2	WJR Goodwill Station 50d	12 1/2	12 1/2

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Paramount Backlog Sold: In \$50,000,000 deal—biggest price ever paid for single film package—last big library of pre-1948 feature movies is being sold to subsidiary of big show business combine Music Corp. of America (MCA talent agency, MCA-TV film distributor, Revue Productions, etc.). Sale of Paramount Pictures' 750-film backlog to Management Corp. of America, headed by Jules C. Stein—who also heads Music Corp. of America—is "about to be consummated," Paramount pres. Barney Balaban announced Feb. 7 after board meeting.

Terms of sale, as disclosed by Balaban: Initial payment will be \$35,000,000, of which 30% is to be in cash, the balance guaranteed—with another \$15,000,000 to be paid out of "a minimum of 50% of gross receipts received by the purchaser." Package includes Bing Crosby-Bob Hope features, Mae West films, Cecil B. DeMille productions, etc. Movie exhibitors once had hoped to raise money to buy this package themselves to keep it from TV.

Despite this setback, theatre owners and talent unions could point this week to gains in their drive to keep post-1948 features from going to TV (Vol. 14:3-4). Loew's Inc. (MGM) pres. Joseph R. Vogel said his company has no intention of releasing these films to TV and that he's behind any campaign to keep all post-1948 movies off home screens. Big N. Y.-N. J. movie circuit owner Walter Reade Jr. announced his theatres will refuse to book films of producers who release recent pictures to TV. Reade's own Continental Distributing Co. (foreign features) has joined 20th Century-Fox in promising theatres minimum "clearance" period of 5 years between theatrical and TV release of features. Reade himself is onetime telecaster, having been owner of Asbury Park's ill-fated uhf WRTV, now off air. In London, theatre-TV struggle threatens to explode into free-for-all legal fight. Commercial programmer Associated TV announced this week it's seeking legal advice whether 5 large theatre chains are engaging in "illegal restrictive practice." Chains have announced boycott of any distributor who sells features to TV.

NTA Film Network is dropping its *Premiere Performance* 134-station feature film show and March 30 inaugurates 13-week *20th Century-Fox Hour*, reruns of 1955-56 CBS-TV show, under unusual "Double Impact" plan whereby show is played twice each week—Sunday afternoon and in late prime time period on a weekday. NTA plans coverage of at least the top 63 markets, with charges said to come to \$15,000 weekly per partic. sponsor, of which 8 can be accommodated in 60-min. show.

Map of TV Cities & Network Routes

OUR NEW WALL MAP, to accompany forthcoming *TV Factbook No. 26*, brings up-to-date the locations of all stations on air and extensions of network connections. The only current TV wall map extant, it shows all U. S., territorial, Canadian and Mexican border stations now operating or due to be operating by this spring; all cities with TV applications pending or CPs granted; present and projected AT&T microwave & coaxial circuits, accurately drafted; all station-owned microwave links and off-air pickups; handy table of stations with call letters and channels. Extra single copies of map are \$1.50; 10 copies, \$11.25; 25 copies, \$18.75.

NAD LIBRARY

Leading Manufacturers of Standard & Hi-Fi Phonos

Packaged phonographs only. Manufacturers of components, import brands not included
(Brand names noted where available)

ADMIRAL CORP.—3800 Cortland St., Chicago 47, Ill. Spaulding 2-0100. Ross D. Siragusa, Sr., pres.; John B. Huarisa, exec. v.p.

AMI, Inc.—1500 Union Ave., Grand Rapids, Mich. Cherry 3-3633. J. W. Haddock, pres.; W. E. Fitzgerald, adv. & sales promotion mgr.

ANDREA RADIO CORP.—27-01 Bridge Plaza North, Long Island City, N.Y. Stillwell 4-5411. Frank A. D. Andrea, pres.

A. R. F. PRODUCTS, Inc.—7627 Lake St., River Forest, Ill. Estebrook 9-0345 Aurthur H. Maciszewski, pres.; Rudolph J. Napolitan, gen. sales mgr.

AUDIO-MASTER CORP.—17 E. 45th St., N.Y. Oxford 7-0725. Herbert Rosen, pres.

AUDIO INDUSTRIES—532 W. 4th St., Michigan City, Ind. Triangle 4-7251. "Ultratone."

AUTOMATIC RADIO MFG. CO.—122 Brookline Ave., Boston 15. Commonwealth 6-1420. David Housman, pres.; Edward L. Housman, sales mgr.

B&R ELECTRONICS CO.—1178 E. 180th St., N.Y. Sycamore 2-3514 I. Rothman, pres.

BOETSCH BROS.—115 Cedar St., New Rochelle, N.Y. New Rochelle 3-8500. George Boetsch, pres. "Birch."

CAPITOL RECORDS, inc.—1750 N. Vine St., Hollywood 28, Cal. Hollywood 2-6251. Glenn E. Wallichs, pres.; Lloyd W. Dunn v.p., merchandising & sales.

CAPEHART CORP.—216 W. 14th St., N.Y. 11. Watkins 4-5900. Robert A. Gross, pres.

COLUMBIA RECORDS (Div. of Columbia Broadcasting System, Inc.)—799 Seventh Ave., N.Y. 19. Circle 5-7300. Goddard Lieberman, pres.; Herbert Greenspon, v.p., operations; James E. Sparling, gen. mgr., Columbia electronic products; Milton Selkowitz, national sales mgr.

J. W. DAVIS & CO.—P. O. Box 35313, 9212 Denton Dr., Dallas 35. Fleetwood 2-8405. J. Watt Davis, pres. & sales mgr. "Watterson."

DECCA RECORDS, Inc.—50 W. 57th St., N.Y. 19. Columbus 5-2300. Milton Rackmil, pres.; Leonard Schneider, v.p.

DeWALD RADIO—35-17 37th Ave., Long Island City 1, N.Y. Stillwell 4-9334. David Wald, pres.

ALLEN B. DUMONT LABORATORIES, Inc.—35 Market St. E. Paterson, N.J. Mulberry 4-7400. Allen B. DuMont, Jr., gen. mgr.; Wm. C. Scales, gen. sales mgr.; Fred C. Zorn, asst. gen. sales mgr.; Robert C. Furlong, marketing mgr.

DICTOGRAPH PRODUCTS, Inc.—95-25 149th St., Jamaica 35, N.Y. Jamaica 6-2323. Malte Carlson, pres.; Thomas Millington, v.p., hi-fi sales.

DYNAVOC CORP.—40-05 21st St., Long Island City 1, N.Y. Stillwell 6-3770. Joseph Dworken, pres.

EDUCRAFT CO.—150-24 12th Ave., Whitestone, N.Y. Flushing 3-4519. Larry Lewin, pres.

ELECTRON ENTERPRISES—6917 Stanley Ave., Berwyn, Ill. Stanley 8-2693. J. Cimfe, pres. "Electone."

EMERSON RADIO & PHONOGRAPH CORP.—14th & Coles Sts., Jersey City, N.J. Swathmore 5-3500. Benjamin Abrams, pres.; Dorman D. Israel, exec. v.p.; E. A. Tracey, sales v.p.

FANON ELECTRIC CO., Inc.—98 Berriman St., Brooklyn 8, N.Y. Midway 7-3400. Walter Nachtigall, v.p.; Murray Trotiner, sales mgr. "Fanfare."

FISHER RADIO CORP.—21-21 44th Dr., Long Island City, N.Y. Exeter 2-2500. Avery R. Fisher, pres. James J. Parks, director of sales.

GRANCO PRODUCTS, Inc.—36-07 20th Ave., Long Island City, N.Y. Ravenswood 1-0400. Henry Fogel, pres.; Seymour Napolin, v.p.; Alexander Freeman, treas.; Gene Gold gen. sales mgr.

GUILD RADIO & TELEVISION CO.—460 N. Eucalyptus Ave., Inglewood 3, Cal. Oregon 8-7771. Jack E. Ackerman & Lou Dolgin, partners. "Grafonola," "Bonnet Box."

HOFFMAN ELECTRONICS CORP.—3761 S. Hill St., Los Angeles 7, Cal. RI 7-9661. H. Leslie Hoffman, pres.; C.E. Underwood, v.p. & treas.; Paul E. Bryant, sales, v.p.

MAGNAVOX CO.—2131 Beuter Rd., Ft. Wayne, Ind. Eastbrook 9721. Richard A. O'Connor, chairman; Frank Freimann, pres. Magnavox-Spartan div. (TV-radio-phonos); Leonard F. Cramer v.p. & gen. mgr.; George H. Fezell, merchandising director. Sentinel radio div.; Verne Roberts, sales mgr.

MAJOR ELECTRONCS CORP.—762 Wythe Ave., Brooklyn 11, N.Y. Main 4-2557. Murray Schrier, pres. & sales mgr. "Majorette."

MOLDED INSULATION CO.—335 E. Price St., Philadelphia 44. VI 4-2626. Wm. T. Bradbury, pres.

MOTOROLA, Inc.—4545 Augusta Blvd., Chicago 51. Spaulding 2-6500. Paul V. Galvin, chairman; Robert W. Galvin, pres.; Edward R. Taylor, exec. v.p., consumer products; Allan G. Williams, gen. sales mgr.

M-P ENGINEERING CO.—Fairfield 3, Conn. Amherst 8-2385. M. Paneyko, gen. mgr.

OLYMPIC RADIO & TV (Div. of Slegler Corp.)—34-01 38th Ave., Long Island City, N.Y. Exeter 2-5200. Morris Sobin, pres.; Morton M. Schwartz, sales v.p.

PACKARD-BELL ELECTRONICS CORP.—12333 W. Olympic Blvd., Los Angeles 64, Granite 7-6721. H. A. Bell, chairman; R. S. Bell, pres.

PHILCO CORP.—Tioga & C Sts., Philadelphia 34. Nebraska 4-5100. James M. Skinner Jr., pres.; John M. Otter, exec. v.p.; James J. Shallow, gen. mgr., home radio div.

PILOT RADIO CORP.—37-06th St., Long Island City, N.Y. Stillwell 4-5454. Isidor Goldberg, pres.; Joseph N. Benjamin, exec. v.p.; L. M. Sandwick, v.p. sales; J. W. Wyckoff, secy.-treas.; Arnold Platt, adv. mgr. "Encore," "Ensemble."

RADIO CORPORATION OF AMERICA—Radio & Victrola div., Camden 8, N. J. Woodlawn 3-8000. Ray Saxon, v.p. & gen. mgr.; Louis J. Collins, gen. sales mgr.; A. R. Baggs, merchandising mgr.; O. D. Center, controller; Russell E. Connely, adv. & sales promotion mgr.

SENTINEL—See Magnavox.

SONORA CORP.—2023 W. Carroll Ave., Chicago 12. HA 1-6330. T. F. Kelly, pres.; J. H. Solomon, sales mgr. "Sonora," "Clinton."

SONIC INDUSTRIES—19 Wilbur St., Lynbrook, N.Y. Lynbrook 9-1011. Ben Burns, pres. "Music Master."

STEELMAN PHONOGRAPH & RADIO CORP. (Div. of Herold Radio & Electronics Corp.)—2-30 Anderson Ave., Mt. Vernon, N.Y. Mount Vernon 4-1500. R. J. Kalb, chairman; P. E. Featherston, exec. v.p.; Leonard C. Truesdell, v.p.-director of sales.

STROMBERG-CARLSON CO. (Div. of General Dynamics Corp.)—1400 N. Goodman St., Rochester, N.Y. Fillmore 2-8000. Special products div.: A. G. Schifino, v.p.; R. O'Brien, gen. sales mgr.; S. E. Guzzy, hi-fi sales mgr.; Ken Juno, adv. mgr.

SYLVANIA ELECTRIC PRODUCTS, Inc.—700 Ellicott St., Batavia, N.Y. Batavia 3470. R. L. Shaw, gen. sales mgr.; J. R. Suor, sales mgr., radio & hi-fi; G. T. Stewart, national sales mgr.

SYMPHONIC ELECTRONIC CORP.—235 Jersey Ave., New Brunswick, N.J. Charter 7-3700. Max J. Zimmer, pres.; Howard A. Jacobs, treas.; Bernard H. Lippin, secy.

TRAV-LER CORP.—571 W. Jackson Blvd., Chicago 6. Harrison 7-9151. Joseph Friedman, pres.; I. Edelstein, v.p.; Ellis Friedman, v.p.-mfg.; H. J. Schulman, asst. to pres.

TELEPHONE CO. OF AMERICA—1668 Webster Ave., N.Y. Cypress 9-1900. Bernard Berger, pres. "Teletone."

V-M CORP.—4th & Park Sts., Benton Harbor, Mich. Walnut 5-8841. Victor Miller, pres.; Gene Miller, sales mgr.; Wm. Faulkner, chief engineer.

VANITY FAIR ELECTRONICS CORP.—50 S. 4th St., Brooklyn 11, N.Y. Evergreen 7-2018. Marvin Frank, pres.; Stanley Cohen sales mgr. "Gotham," "Empire," "Imperial."

WARWICK MANUFACTURING CORP.—7300 N. Lehigh Ave., Chicago 31. Spring 4-6400. Lester J. Neuman, pres.; Charles N. Hoffman, director of sales.

WATERS CONLEY CO.—501 First Ave., N.W., Rochester, Minn. Atlas 2-2755. Fred C. Kennedy, pres. & gen. mgr.; G. H. Rissman, v.p. & sales mgr. "Phonola," "Melodier."

WECOR, Inc.—5610 Bloomingdale Ave., Chicago 39. Tuxedo 9-8500. Titus Haffa, chairman; Nicholas Malz, pres.

WELLS-GARDNER & CO.—2701 Kildare Ave., Chicago 39. Albany 2-8220. R. S. Alexander, pres.; Grant Gardner, sales mgr. "Air-line," "Truetone," "Coronado," "Firestone," "Trans-American."

WESTINGHOUSE ELECTRIC CORP.—TV-radio div., Metuchen, N.J. Liberty 8-5000. E. J. Kelly, gen. mgr.; Thomas B. Kalbfus, gen. sales mgr.; Ralph H. G. Mathews, sales mgr. hi-fi dept.

WHITLEY ELECTRONICS, Inc.—Columbia City, Ind., 539 & 866. M. G. Wike, v. p., gen. mgr.; J. H. Moss Jr., sales mgr. "Murasonde."

ZENITH RADIO CORP.—6001 Dickens Ave., Chicago 39. Berkshire 7-7500 E. F. McDonald Jr., pres. & gen. mgr.; Hugh Robertson, sales mgr.; R. A. Donner, adv. mgr.

**THE
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WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
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SUMMARY-INDEX OF THE WEEK'S NEWS — February 15, 1958

FCC PROBE GETS TENSE as Schwartz testifies about payments to Comr. Mack in return for "pledge" of vote for National Airlines in Miami (p. 1 & 9).

GLOBAL TV ON BRINK of vigorous expansion, led by commercial systems. Foreign TV's biggest year ended with 1089 stations, 68,700,000 sets in world (pp. 3 & 10).

PAY-TV HOLDUP BY FCC expected next week, despite possibility of Senate Committee action. Toll backers demand action against anti-toll stations (p. 3).

BARTLESVILLE TELEMOTION system cuts monthly charge to \$4.95, adds community antenna, time, weather and music service as subscribers drop to 300 (p. 5).

WHERE ARE THEY NOW? Only 2 members of old Federal Radio Commission survive; 41 have served on FCC, of whom 10 are deceased (p. 7).

NEW WNEP-TV, SCRANTON begins operating on Ch. 16 as WARM-TV, Scranton & WILK-TV, Wilkes-Barre merge. New starters in Atlanta & Puerto Rico (p. 8).

FCC BACK AT ROUTINE during investigation interlude, issues 3 station CPs, 5 translator grants, approves station sales, allocations shifts, etc. (p. 9).

MANY TV STATIONS lost money in 1956 despite record industry sales & profits, FCC figures show (p. 11).

Manufacturing-Distribution

JAPANESE "INVASION" OF RADIOS and transistors bringing tough competition to U.S. manufacturers. Their labor costs about one-seventh ours (p. 12).

TAPE PROSPECTS SOAR as new Shure recording head doubles capacity of standard tapes & RCA experiments point to elimination of reel problem (p. 16).

FCC PROBE NOW GENERATING REAL HEAT: Nothing now can stop the Congressional probe into allegations of FCC wrongdoing -- and, at this writing, it even looks as though there may soon be some new faces on the Commission as well as some drastic changes in its mode of operation.

After dawdling with "flyspeck" evidence, publicity leaks and personal recriminations between its own counsel and the Moulder subcommittee majority -- Moulder quit as chairman this week and the full committee chairman Oren Harris (D-Ark.) took over -- the investigation struck what appeared to be "pay dirt." Its headlines at long last appeared to be justified, though the defense remains to be heard.

Comr. Richard A. Mack, Eisenhower-appointed Florida Democrat, who took oath July 7, 1955, was target of the latest onslaught -- charges that he accepted money from a person interested in a Miami TV application. Committee's ousted counsel Bernard Schwartz, appearing as a witness Thu., made the flat charges of "bribery." Mack started to fight back via the publicity route Fri., but won't get his real chance to refute until called as witness Feb. 19 or 20.

Who's next? Schwartz was a bum early in the week, when he was fired by the subcommittee majority and rushed with his files to the home of Sen. Morse (D-Ore.), onetime GOP maverick. He became a hero to many on Thu., when he produced 5 checks totaling \$2650 which Mack had received from a Miami attorney who, Schwartz charged, was "fixer" in the Ch. 10 case, getting Mack pledged to grant to National Airlines over strong adverse opinion of Examiner Sharfman and against 3 other applicants.

It's the first time in history, to our knowledge, that anyone has attempted to show that money was actually passed under the table to an FCC commissioner.

With witness Schwartz able to produce such evidence -- whether bribery is finally proved or not -- everyone now expects him to come up with more solid mate-

rial than his "petty cash" charges against Chairman Doerfer (Vol. 14:5-6). Burden is also upon him to prove his charges that there has been White House intervention in individual FCC cases, and that the subcommittee majority is attempting a "whitewash."

FBI entered into picture right after Mack checks were put in evidence, so that professional probing may now take the place of the Cohn-Schine type of sleuthing that so antagonized so many Congressmen against Schwartz.

Other repercussions now expected are almost endless. Miami Beach's ex-mayor A. Frank Katzentine, who owns radio WKAT and was one of losers in the Ch. 10 case and who had Examiner Sharfman's strongly-worded nod, may petition the Commission to reopen record even though National Airlines' WPST-TV is already on the air and his own court appeal is still pending. His counsel, ex-FCC chairman Paul A. Porter, may be expected to petition for reconsideration of the case on grounds of Mack's alleged dereliction. Mack voted with ex-Chairman McConnaughey, Doerfer & Lee. Bartley favored Katzentine, Hyde favored L.B. Wilson (now deceased), Craven abstained.

Many other defeated applicants in other competitive cases are waiting, too, for some sort of hook to hang petitions onto so as to reopen their cases; some think they can resuscitate cases long enough to get new commissioners to vote for them.

* * * *

Many people in Washington are still skeptical of young Dr. Schwartz, a law prodigy on leave from his New York U professorship. There's no question that he is a good student, has fine memory. But he sometimes seems extremely naive, even arrogant, expressing his "contempt" for the subcommittee majority in his statements to the press and TV-radio and even referring to subcommittee members as "you people."

But that apparent naivete, others insist, is really cleverness. Accompanied by 2 newsmen, one a reporter for Drew Pearson, the other for the Cowles newspapers, he indulged in an incredible action when he carted the subcommittee files to Sen. Morse's home at midnight -- in order, he maintains, to keep the investigation from being killed. Sen. Morse, following Congressional courtesy, returned the files to the House committee, of course, but joined in saying dirty work was afoot at the FCC and asked Senate to order probe of its own.

Schwartz resumes witness stand Mon. Feb. 17 at 10 a.m. in Room 1334, New House Office Bldg., to continue his efforts to substantiate charges in his Jan. 4 memo which he leaked to the press (Vol. 14:5). Also, it's hard to see how he can escape being asked to document his allegations of White House influence.

Even those who enjoy seeing the FCC ventilated denounced as "entrapment" use of a wire recorder hidden in a briefcase when Comr. Mack was interviewed. Even Sen. Morse was incensed. Schwartz insisted he had no intention of producing the recording unless Mack should backtrack on his statements to the investigators.

* * * *

Full-scale carry-through of probe is inevitable, because public now expects it and Congressmen of both parties are eager to show they aren't encouraging any whitewash. Rep. Harris is subcommittee chairman for the present, he says, and is looking for a new counsel. He says whole staff must be "rehabilitated" and reports he has enough money to continue investigation for rest of this year.

There's no secret that a lot of politicians, both Republican and Democratic, would like to turn off the probe. Many of them may be shown up for exerting their influence on behalf of constituents or political friends. It has ever been thus, from the very time the first Federal Radio Commission was founded.

There's renewed demand for change in laws or procedures that might eliminate opportunity for influence. One frequently suggested idea is to set up a specialized court, like the Court of Tax Appeals, to handle appeals on contested cases -- its judges cloaked with traditional unapproachability. Another idea is tenure on the Commission for life. Another is a code whereby no commissioner would discuss any pending case with any parties in interest -- unless it's non-competitive.

Some commissioners are agonized over the publicity, which condemned them before they could be heard. They feel all are under a cloud. Some have thought of volunteering now to expose their financial souls publicly -- but hesitate for fear of being considered as taking a holier-than-thou attitude at expense of colleagues.

[For more details about developments in the House probe, see p. 9.]

GLOBAL TV BEGINS REAL EXPANSION: As 1958 begins, TV can be called a 'global medium for first time. Sparked by mushrooming trend to advertising-supported programming, world TV finally seems to be on brink of a fabulous expansion.

Comparison of TV's 1957 growth in U.S. and rest of world serves to illustrate the coming-alive of TV in many nations:

U.S. -- Now has 531 stations, 47,000,000 sets-in-use. Increase since Jan. 1, 1957 totaled 33 stations (6.2%) and 5,000,000 sets (12%).

Rest of world -- Now has 527 stations, 21,600,000 sets-in-use. Increase since start of 1957 was 200 stations (60%), 7,400,000 sets (52%). Accretion of receivers was greater in foreign countries than in U.S. first time in any year since war.

World TV station count thus stands at 1089, sets-in-use at about 68,700,000 (including 31 transmitters of U.S. Armed Forces and the 85,000 U.S. sets they serve throughout world). In our count of foreign stations, we include regular transmitters, satellites, boosters, experimental units -- anything that sends picture-and-sound over air. Translators, however, aren't included in U.S. total (96 on air).

These figures are essence of World TV Directory section of our forthcoming 1958 Spring-Summer TV Factbook, based on extensive survey of world capitals, U.S. govt. agencies, equipment makers, etc. This is up-to-date edition of most accurate such directory extant, gives information on every station on air or imminent.

[For analysis of foreign TV growth during 1957 and country-by-country table of world TV stations and sets-in-use, see p. 10.]

PAY ISSUE MOOT--BUT BACKERS NOT MUTE: While toll-TV proponents pointed the finger at stations and networks and demanded punitive action, the feeling at FCC this week was that pay TV is no longer an issue -- and won't be for some time. This despite fact that Commission itself postponed until next week action on the House Commerce Committee's anti-toll resolution (Vol. 14:6).

As one commissioner explained it to us: "The whole issue is moot, since we don't have any applications. We're not sure it's necessary for us to do anything to respond to the Committee's resolution. If an application comes in, we'll have to take a position on it. But we do intend to discuss the whole thing next week."

FCC is expected to respond to resolution, nevertheless -- probably with a public notice, no order being necessary, for the resolution merely asks Commission not to grant toll-TV applications pending hearings on the 14 anti-pay-TV bills now before it. It didn't ask cancellation of Commission's proposal for toll trials.

Pay-TV proponents feel they still have one last-ditch hope. They reason that if Senate Commerce Committee votes to shelve an anti-toll resolution next week it might counterbalance House Commerce Committee action and serve to free FCC from its unwritten and extra-legal obligation to hold up the tests.

Senate Committee is slated to discuss anti-toll resolution Feb. 19 in executive session -- if resolution's backers still want to push it. Headed by Sen. Thurmond (D-S.C.), they'll be taking calculated risk if they insist on Committee vote, since only 6 of Committee's 15 members agreed to sponsor resolution. Five other members -- including Chairman Magnuson (D-Wash.) -- are on record as either favoring trials or opposing "interference" in FCC actions, and remaining 4 aren't on record on subject at all (Vol. 14:5).

There was no indication the FCC was specifically awaiting Senate Committee's action when Commission postponed consideration of House Committee resolution until next week. Explanation of postponement, as given to us, was that 2 commissioners

(Ford & Mack) were absent from meetings this week, and there was plenty of other pending and less important business which didn't require full FCC attendance.

There's little chance of any valid pay-TV applications being filed now, even though at the present time Commission legally must continue to accept them. Only major telecasting interest which had indicated intention to file -- RKO Teleradio -- is holding off now, pending clarification of FCC's position.

"We still have a basic interest in pay TV, and we still believe in it," RKO spokesman told us at week's end. "It's our feeling that if the principle of a test is upheld, we will go to the expense of negotiating and filing a firm and valid application. But at the present moment, we're holding everything in abeyance."

* * * *

Govt. action against networks and/or stations is being asked by 2 toll-TV proponents. Zenith pres. E.F. McDonald Jr., in press release this week, urged FCC to "investigate and proceed against the radio and TV stations which, at the urging and pressure of their networks and trade association, are using their licensed facilities in a high-pressure pitchman's campaign to induce the public to write Congressmen and Senators" against pay TV. He also said FTC and Justice Dept. should investigate possibility that stations may "unwittingly be joining into a conspiracy to kill off a potential new competitor in violation of Federal anti-trust laws."

Skiatron said it is filing "official action" with FCC Feb. 17, charging a "major radio-TV network with unethical acts and violation of FCC rules in its fight to prevent fair and public trial of subscription TV."

Joining proponents in demanding investigation, Sen. Long (D-La.) this week wrote FCC Chairman Doerfer stating that, if Zenith's accusations are factual, "then it would be true that certain TV licensees have improperly used their facilities and have violated their duties as licensees." He asked for report on stations' activities against subscription TV at Doerfer's earliest convenience.

Most newspapers which commented on House Committee's anti-toll resolution sided with fee-TV proponents in castigating Committee for "interfering" with FCC action. Particularly critical were N.Y. Times and Wall St. Journal.

"Compromise pay-TV proposal" -- to limit 3-year test to uhf stations -- was outlined in letter to Doerfer this week by Sol Sagall, pres. of Teleglobe Pay-TV System Inc. He plans to put same proposal to Senate Commerce Committee next week.

Though on-air trial of pay TV is being shelved, test of subscription TV by cable was ending its sixth month at Bartlesville, Okla., with indication that the public isn't buying -- judging from fact that number of subscribers has dwindled to about 300 from high of more than 500. [For story on how Telemovie operation there is being revamped to attract viewers, and other cable toll news, see p. 5.]

Multiplexed TV Shown: Billed as potential spectrum saver or method of telecasting pay-TV programs without blacking out free channel, "Bi-Tran" system of TV picture multiplexing (Vol. 13:38) was demonstrated by Blonder-Tongue Labs in Newark this week. As shown, system enables station to present 2 separate programs on one standard channel. Secondary, or "B" subchannel, was demonstrated with still picture while regular program was carried on subchannel "A." Company officials said "B" signal has 350 lines resolution. Gen. sales mgr. Joseph Kerner said "engineering refinements," including elimination of crosstalk between channels and improvement of contrast, are still necessary. He said decoder, or phase inverter, to enable home sets to receive secondary signal, would cost about \$50; station multiplexing equipment would cost about \$5000.

Italy's movie theatres closed for full day Feb. 12 in protest against TV & taxes.

Promoter of "invisible sell" technique, Precon Process & Equipment Corp., New Orleans, showed equipment and methods this week to FCC staffers now winding up investigation of engineering and legal aspects of subliminal advertising. After meeting, Precon spokesman said Paramount's KTLA, Los Angeles, still plans to test subliminal messages (Vol. 14:4,6) and that contract will be signed next week with a motion picture producer who plans to incorporate subliminal messages in movies for theatres. As to effectiveness of subliminal advertising, Precon spokesman told us: "The data available is not sufficient in any sense to make any claims possibly valid." He added that principle had been publicized "before its time" and that Precon would have preferred to wait for further research and extensive tests.

Canadian Assn. of Radio & TV Broadcasters holds annual meeting in Queen Elizabeth Hotel, Montreal, May 11-14.

Bartlesville in Trouble: In attempt to stem tide of cancellations and to "find the right formula" for adding subscribers, first wired subscription-TV system—Telemovies project in Bartlesville, Okla. (Vol. 13:51)—this week announced sharp reduction in monthly charge to subscribers and other significant changes in its operations and programming, beginning March 1.

In frank statement of 6-month-old experimental system's difficulties, Video Independent Theatres' pres. Henry S. Griffing revealed that total number of regular subscribers has dropped from high of 531 to about 300.

These changes will be effective next month: (1) Monthly charge will be reduced from \$9.50 to \$4.95, or less than 25¢ a movie. (2) "Current motion pictures" will be shown on single channel instead of 2, with continuous performances 7-11 p.m., eliminating daytime operation. (3) Second channel will be devoted to Muzak background music 7 a.m.-11 p.m., with continuous time and temperature report on screen. (4) All Telemovie subscribers will receive community antenna service, providing better reception of Tulsa's 3 channels without necessity of rooftop antenna installations. (5) "Great Artists" series of films of opera, ballet and classic drama will be presented as added attraction Sun. afternoons.

Subscribers will be able to see approximately same number of pictures as at present, Griffing said, movie channel offering at least 5 pictures a week. Metering system, announced several weeks ago, has been shelved because manufacturers say they won't have equipment ready in quantity before next fall. He said 100 meters will be installed in next few weeks for research purposes, and that regular pay-for-what-you-see metering would be tried only if new operation plan doesn't succeed.

"We are still trying to pinpoint the public's prefer-

ences," Griffing explained. "Although the initial response to Telemovies last fall was exceptionally good, we haven't added as many subscribers as we had hoped. Therefore we are changing the pattern somewhat, to see if we can find the right formula of price and programming."

Earlier, in a report to movie distributors, Griffing revealed system lost 146 subscribers in December, noting that Tulsa's TV stations had increased their motion picture features from 90 to more than 130 a month. He said Telemovie system may be "ahead of its time" by trying to interest viewers in recent pay-as-you-see movies before pre-1948 features have been played out on free TV. "At the present time I think TV has been tapping a lost market with the old motion picture features," he added. "These give as much satisfaction to the TV viewer as new features."

Wired pay-TV promoter International Telemeter, meanwhile, lined up some non-movie program material this week when it signed exclusive agreement with Madison Square Garden for experimental subscription-TV use of some of its attractions, including college basketball games and possibly ice shows and the circus. Telemeter spokesman said sample town in midwest will be wired up by June to test Paramount Pictures' Telemeter system.

Question of wired toll TV will be put to Los Angeles voters in June primary election, city clerk confirmed last week end in reporting that there were sufficient valid signatures on 2 petitions to assure public referendum. Voters will be asked whether grant of cable TV franchises to Skiatron and Telemeter-Fox West Coast Theatres should be revoked (Vol. 13:51, 14:4).

Applications by Skiatron and Telemeter for franchises in San Francisco continue to gather dust in pigeonhole, where they were placed last month for indefinite period by city fathers who were dissatisfied with firms' proof of financial responsibility and with their inability to supply details on plans for wiring city.

Clips from the Current Press—

(Digests of Noteworthy Contemporary Reports)

"TV's big gamble—feast or famine—is worrying lots of agencies and advertisers, especially as TV costs continue to rise and new stations split audiences and reduce ratings. But in the past 7 years many major advertisers have felt that they could not move to a higher plateau of business or increase their share of the market by any great degree without becoming successful in TV. Some have changed their minds. Some still feel that way. This situation has had a great deal to do with the unusual amount of turnover in agency accounts."—Charles T. Lipscomb Jr., pres., Newspaper Advertising Executives Assn.

"Now that radio has had a few prosperous years for itself, following the agonizing reappraisal caused by TV, even its most vociferous [sales] proponents are beginning to believe the bright things they have been predicting for it. In the early days of TV's surge, so much of their boastings sounded like whistling in a graveyard. Now, these fellows are beginning to look like sages of Socratic dimensions."—Joseph Kaselow, *N. Y. Herald Tribune*.

Sylvania's "profit improvement program" is subject of Feb. *Nation's Business* article titled "Employees' Ideas Ease Profit Squeeze."

The weekly show business magazine *Billboard*, which recently decided to get out of TV and concentrate on music, having recently acquired the magazine *High Fidelity*, this week announced sale of its weekly TV section and its monthly "TV Availabilities" to the bi-weekly *Television Age*. Sam Chase, TV editor & gen. mgr. of *Billboard*, becomes asst. publisher of *Television Age* under publisher Sol Paul, and the new features will start with issue of March 24.

"Wave Lengths Worth Millions: Nation's Biggest 'Giveaway'?" captions story in Feb. 14 *U. S. News & World Report*. Tenor of article is indicated by sub-caption: "A way to make a fortune: Get a good TV channel. Government gives them out free. Many are worth millions." It's all as simple as that, according to this spokesman for business—and its article is just about as informative.

Hi-fi fad and soaring phono sales (Vol. 13:51) are causing record companies to increase output of new LP albums by 50% over last year, according to lead article in Feb. 12 *Variety*. "It's developing into a wild production race that's already flooded the retailers with close to 100 new releases a month for Jan. & Feb.," the trade journal reported.

Televised surgical operations are bad for public health, says current *British Medical Journal* in editorial which states that if BBC carries out plans for such telecasts it is certain to increase "anxiety, hypochondria and neurosis."

Television Digest

with ELECTRONICS REPORTS

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Personal Notes: John W. Guider, pres. and 10% owner WMTW, Poland Spring, Me. (Ch. 8) takes over temporarily as gen. mgr., succeeding John H. Norton Jr., resigned, according to Feb. 12 announcement by ex-Gov. Horace Hildreth, chairman; Guider, onetime partner in Washington law firm of Hogan & Hartson, who retired about 20 years ago to live in N.H., also is pres. and owns 32.8% of Concert Network Inc., operator of FM stations WXCN, Providence; WNCN, New York; WHCN, Hartford; holds CP for WBNC, Boston . . . Gilmore N. Nunn, part owner of WBIR-TV, Knoxville, departs shortly for month's tour of South America, first attending 5th annual assembly of Inter-American Assn. of Bestrs. at Punta del Este, Uruguay, March 10-15 . . . John E. Fetzer, pres. of WKZO-TV & WKZO, Kalamazoo, radio WJEF, Grand Rapids, and interested in other TV-radio properties, named chairman of American League TV-radio committee; he's part owner of Detroit Tigers baseball club . . . John G. Trezevant resigns as NAB news & publications mgr., joins *Chicago Sun-Times* . . . Bob Vache promoted to program director of KVAR, Phoenix, succeeding Wm. Robb, resigned . . . John Shaw, ex-WFBM-TV, Indianapolis, named program director of WOOD-TV, Grand Rapids, succeeding Frank Sisson, who joins sales staff . . . Hugh Barclay, ex-WEAR-TV, Pensacola, named sales mgr. of WALB-TV, Albany, Ga. . . . Harrison Brooks promoted to chief engineer of WBAL-TV, Baltimore, succeeding Wm. C. Bareham, named technical operations director . . . Lowell H. MacMillan, from radio WHEC, Rochester, promoted to station mgr. of WHEC-TV & WHEC; Howard B. Mouatt promoted to chief engineer of stations . . . Stanley A. Westlake promoted to CBC-TV coordination officer, Toronto, replacing John Dunn, assigned to UN, N. Y. . . . Jacques Liegenguth promoted to mgr. of new sales syndication div. of NBC's Cal. National Productions . . . Robert S. Taplinger resigns as Warner Bros. v.p. and adv. & public relations director to give full time to Robert S. Taplinger Assoc., public relations firm . . . Elizabeth Crawford, stage name of Martha Rivers (daughter of John M. Rivers, pres. & chief owner of WCSC-TV, Charleston, S.C.) is hostessing nightly classical music show on WCSC-FM . . . R. C. (Jake) Embry, exec. dir. of WITH, Baltimore, this week received Distinguished Mississippian Award bestowed by Gov. Coleman on natives living out of state who have distinguished themselves in education, industry & professions . . . Peter A. McGurk promoted to v.p. of Weed rep firm, headquartering in N. Y. . . . Patrick T. Ahern, ex-Imco Container Corp., named asst. sales mgr. of Guild Films . . . Nathan Zucker, Dynamic Films pres., elected pres. of N. Y. Film Producers Assn. . . . Elmer W. Lower promoted to director of CBS News operations, responsible for sports, special projects, syndicated news film, film production, program sales, information services.

Denny Promoted to RCA V.P.: Charles R. Denny, NBC exec. v.p.-operations for last 1½ years, moves up to parent RCA April 1 as v.p., product planning, a newly created post charged, as stated by pres. John L. Burns, with "responsibility for developing through long-range planning the direction [RCA] should take in evolving its process of growth." Coincident with the promotion, NBC pres. Robert Sarnoff was conferring with P. A. (Bud) Sugg about replacing Denny in charge of NBC's o-&o stations, spot sales, radio network, etc., though program subsidiary California National Productions, which also reported to Denny, will henceforth report to J. M. Clifford, exec. v.p., administration. Sugg, who directs the Gaylord (*Oklahoman*) stations, had not made his decision by week's end. Denny is a 1933 graduate of Amherst, 1936 graduate of Harvard Law School. He first served with Covington & Burling, Washington law firm, then joined FCC as asst. gen. counsel, rising to gen. counsel and appointed in 1945 as chairman at age 33—the youngest person ever to hold that post. He resigned in 1947 to join NBC as v.p. & gen. counsel.

Pioneer sportscaster Ted Husing, now 57 and recovering from a brain tumor which paralyzed and blinded him in 1954, this week told press, through his N. Y. agent, Mark Hanna, he was dismissed 3 weeks ago from CBS payroll. He now lives in Pasadena, had been getting \$150 a week from network which employed him from 1927 to 1946. He quit sports to become a \$250,000-a-year disc jockey, then went back to CBS but his sight has been impaired since he underwent operation, and no show could be found for him.

Robert J. Rawson, chief of FCC hearing branch, and Herbert M. Schulkind, asst. chief of rules & standards div., designated Commission counsel in network study hearing starting March 3 (Vol. 14:2-6).

Allan S. Austin elected pres. of Austin Co., big Cleveland architectural and construction firm which pioneered in TV-radio studio construction, continuing in charge of sales.

Obituary

Emanuel (Manie) Sacks, 56, NBC v.p. in charge of programs & talent and RCA staff v.p., died in Philadelphia's Albert Einstein Medical Center of leukemia Feb. 9, having been confined there since last Oct. A 1924 graduate of Pennsylvania Military Academy, trustee of that school and of the Einstein hospital, he started his career with the Levy brothers, then operating WCAU, Philadelphia, then worked for Music Corp. of America for 7 years and for CBS from 1940-50. One of the best known and best liked men in show business, he is credited with helping CBS lure Jack Benny and Edgar Bergen away from NBC and with helping launch the careers of such stars as Dinah Shore, Frank Sinatra, Harry James, Tony Bennett, Doris Day. RCA first hired him as director of artist relations for RCA Victor Records, and in 1953 he became its v.p. & gen. mgr. That year he also was named Philadelphia's "Man of the Year." A bachelor, he is survived by his mother, a brother, 3 sisters.

George J. Gercke, 53, USIA movie producer & director, died Feb. 8 in Naval Medical Center, Bethesda, Md., after long illness. Surviving are widow, 3 sons, daughter, brother.

Abraham H. Siegel, 28, ABC-TV research statistician, died Feb. 11 at Wadsworth Hospital, the Bronx. Surviving is his mother.

Do You Know That . . .

IN THE 31 YEARS of Federal regulation of wireless and wire services by means of Commissions, only 41 persons have held commissionerships—and the breath of scandal has touched very few of them. This despite political pressures obvious in every Administration, and despite broad policy determinations and frequent hairline decisions that often disgruntled many more people in the industry than they favored.

All but 2 of the 12 who sat on the old 5-man Federal Radio Commission (which existed Feb. 23, 1927-July 10, 1934) have gone to their rewards. There are some (ourselves included) who think the first Radio Commission was the most distinguished, constructive, least politically-harassed and least political-minded of all the Commissions to date—though it must be conceded that wavelengths weren't so eagerly sought or so valuable in those days.

The first Commission was appointed by President Coolidge as a result of an act of Congress precipitated by Zenith's Comdr. Eugene F. McDonald's refusal to recognize the authority of the Dept. of Commerce's radio div. over the radio wavelengths. Basking in controversy then, as now, and first pres. of NAB (1923-25), McDonald's pioneer (AM) radio WJAZ, Chicago, jumped a wavelength of its own choosing, rather than accept the one assigned. Secy. Hoover's Dept. of Commerce and the Justice Dept. sued him, but he won all the way up in the courts—and Congress in a matter of months passed the Radio Act of 1927 fathered by the late Sen. Wallace White (R-Me.).

Heading the Dept. of Commerce radio div. at the time was Wm. D. Terrell, pioneer wireless man, very much beloved by all who knew him; now 86, he lives in retirement with his wife on Culpepper St., Warrenton, Va., and is in remarkably fine health despite a recent coronary that delayed their annual winter sojourn in Florida. Their son Wm. D. Jr. is a Washington physician.

* * * *

Four of the 5 men who sat on the first Federal Radio Commission are deceased. First Commission included Admiral W. G. H. Bullard, chairman, retired chief of Naval Communications, who died after only 8 months in office; Col. John F. Dillon, ship wireless veteran and California district chief for Terrell's radio div., who died just one month before Chairman Bullard; Judge Eugene O. Sykes, ex-Mississippi Supreme Court justice, later to become a chairman of FCC; Dr. Henry Adams Bellows, whose background was scholarship (Harvard, Oxford) and who was named as a "practical broadcaster" because he was original manager of Pillsbury Mills' WCCO, Minneapolis; he became a CBS v.p. after he failed of confirmation after only 7½ months in office.

Only member of the first Commission still surviving is Dr. Orestes H. Caldwell, McGraw-Hill trade paper editor and an engineer, who master-minded the radical radio "reallocation of 1928." He's also credited with coining the term "electronics"; now 70, he lives in retirement at Stamford, Conn.

Sam Pickard, only other surviving member of the old FRC, was its first secy. Appointed to the Dillon vacancy, he served until 1929 when he became a CBS v.p. He amassed a fortune in speculation, including station ownership, retired in his thirties to become a gentleman farmer in No. Carolina. Last reports were that he owned and

operated Paradise Point, at Point Paradise, Fla., posh fishing resort on Crystal River, some 60 mi. north of Tampa—but he's reported to have sold that out recently.

* * * *

Of the other members, all deceased, Harold A. Lafount, Salt Lake City business man and bishop of the Mormon Church, succeeded to Admiral Bullard's vacancy, though Judge Sykes was designated chairman. Lafount's daughter Connie is wife of George Romney, pres. of American Motors (Rambler) who's much in the business news lately; a nephew, Ashley L. Robison, has interests in TV stations in Enid, Okla., Rockford, Ill. and owns KOVO, Provo, Utah.

Judge Ira E. Robinson, named in 1928, later to become chairman, was ex-chief justice of the W. Va. Supreme Court. Maj. Gen. Charles McK. Saltzman, retired chief of Army Signal Corps, also served as chairman later; his son, Charles E., like his father a West Pointer, started his civilian career with N. Y. Telephone Co., served as Asst. Secretary of State, then Undersecretary of State, was secy. & v.p. of N. Y. Stock Exchange 1935-49, with 6 years of time out for distinguished war service, is now partner of Henry Sears & Co., N. Y. bankers.

Serving until FCC was set up in 1934 were Wm. D. L. Starbuck, N. Y. patent attorney, who returned to that practice for about 15 years before he died; Thad H. Brown, ex-Lt. Gov. of Ohio, whose son Thad Jr. is TV director of NAB; James H. Hanley, Omaha politician, who was in office only 15 months.

Judge Sykes, Democrat, and Thad Brown, Republican, were carried over to the 7-man FCC by appointment of President Roosevelt when it was set up July 11, 1934. About the 31 persons who since its inception have served on FCC—10 of them deceased—we'll report next week.

—■—

Tax exemption certificate in sale of WBRC-TV, Birmingham (Ch. 6) with WBRC, was denied Storer Bestg. Co. this week. Station was sold to Taft family for \$6,350,000 (Vol. 13:13-14:19). FCC stated it could find no reason to change policy adopted Sept. 27, 1956—i.e., to grant exemption only when station sales are forced by Commission action.

Boston's WHDH-TV disputes claim of Ft. Worth's WBAP-TV that its 1½ hours of live color per day (Vol. 14:5) tops all others. Leslie G. Arries Jr., station mgr., writes that WHDH-TV telecasts 3 hours of local live color Mon. thru Fri., 45 minutes Sat., which he claims is record.

CBS-CBC newsfilm exchange agreement, providing for full reciprocity, has been negotiated by CBS.

Map of TV Cities & Network Routes

OUR NEW WALL MAP, to accompany forthcoming *TV Factbook No. 26*, brings up-to-date the locations of all stations on air and extensions of network connections. The only current TV wall map extant, it shows all U. S., territorial, Canadian and Mexican border stations now operating or due to be operating by this spring; all cities with TV applications pending or CPs granted; present and projected AT&T microwave & coaxial circuits, accurately drafted; all station-owned microwave links and off-air pickups; handy table of stations with call letters and channels. Extra single copies of map are \$1.50; 10 copies, \$11.25; 25 copies, \$18.75.

New & Upcoming Stations: Corporate merger of WARM-TV, Scranton (Ch. 16) and WILK-TV, Wilkes-Barre (Ch. 34) into Northeastern Pa. Broadcasting Co. was authorized by FCC this week—and they're now operating as WNEP-TV, Scranton (Ch. 16) with WILK-TV temporarily retained on Ch. 34 as a satellite. Plan is to operate them later as one station, with studios in Scranton, and converted transmitter at Wilkes-Barre site. Controlling new corporation is Transcontinent TV Corp., which paid \$1,500,000 for 60% interest, with WILK-TV principals (Thomas P. Shelburne, Mitchell Jenkins, et al) and WARM-TV principals (Wm. Scranton, Martin Memolo, et al) holding 20% each (Vol. 13:42, 46). New owners are required to dispose of radio WARM within 90 days. Shelburne is v.p.-gen. mgr., Memolo v.p., engineering. Transcontinent also owns WROC-TV, Rochester (Ch. 5), WGR-TV, Buffalo (Ch. 2), 50% of WSWA-TV, Harrisonburg, Va. (Ch. 3).

Total of on-air stations rises to 531 (91 uhf) as educational WETV, Atlanta (Ch. 30) starts operation Feb. 17 with programs aimed at elementary and high schools, and as WSUR-TV, Ponce, P.R. (Ch. 9) gets under way as an affiliate of WAPA-TV, San Juan (Ch. 4). Atlanta station has 12-kw GE transmitter, 470-ft. Truscon tower with GE antenna at 740 Bismarek Rd. NE, where \$300,000 plant houses both TV and FM radio WABE. It's 31st educational on air, is directed by Haskell Boyter with T. W. Cowan Jr. as chief engineer.

Puerto Rican station is city's second, is designed to provide coverage now unavailable from WAPA-TV because of intervening mountains. It has Adler transmitter with 200-ft. Lehigh tower and 6-bay RCA antenna on Maravilla Mt. Owner and chief engineer is Ralph Perez Perry, also holder of CP for WKBM-TV, Caguas (Ch. 11) and radio WKVM, San Juan. Mariano Angelet Escudero, from WKVM, is gen. mgr.; Jorge Luis Cebollero, station mgr. Base hour is \$150, rep Pan American.

Tall Tower Turndown: Washington Airspace Panel this week turned thumbs down on 27th antenna site surveyed by Louisville's WHAS-TV in its 5-year search for suitable location for tall tower (Vol. 13:9, 13, 26). Recommending rejection of proposed 1859-ft. structure NNE of Louisville, Panel said it would approve tower of 500 ft. at same location, or tower of greater height south or southwest of Ft. Knox, Ky., provided it's located off the airways. Meanwhile, WHAS-TV continued to press for FCC approval of proposed tower site despite ASP turndown, with pre-hearing conference scheduled by Commission Feb. 18. WHAS-TV's invitation to competitor WAVE-TV to share its proposed tall tower (Vol. 14:5) drew reply from WAVE-TV mgr. Nathan Lord inviting WHAS-TV to join WAVE-TV and CP-holder WEZI (formerly WKLO-TV) at existing site at Bald Knob, Ind. At this week's meeting, Washington ASP also disapproved proposed 753-ft. tower of CP-holder WNBE-TV, New Bern, N. C. (Ch. 12) because of its proximity to Marine Corps airfield, but suggested that acceptable site could be found nearby. Panel approved 839-ft. tower site near Baton Rouge for WDAM-TV, Hattiesburg, Miss. (Ch. 9), which has petitioned FCC for move to Baton Rouge.

Triangle's WNBK-TV, Binghamton, N. Y. (Ch. 12) went on 24-hour day 7 days a week as of Feb. 10, v.p. Roger W. Clipp observing this was best way to serve multi-shift workers in its highly industrialized area.

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

KVIQ-TV, Eureka, Cal. (Ch. 6), changing call from KHUM-TV, plans March 1 programming in association with KVIP-TV, Redding, Cal. (Ch. 7), which owns 50%, reports Carroll R. Hauser, pres. & owner of other 50%. It will be city's second, KIEM-TV (Ch. 2) having started in Oct. 1953. RCA 5-kw transmitter has been installed in studio-transmitter building, but work on 200-ft. self-supporting tower with 3-bay antenna hasn't begun. Base hour will be \$150. Rep will be Hollingbery.

KDPS-TV, Des Moines (Ch. 11, educational), expects to have building ready next summer, plans Aug. 12 start, reports C. F. Schropp, director of audio-visual education for grantee Des Moines School District. Transmitter equipment is being donated by Cowles Bestg. Co., 60% owner of KRNT-TV, Des Moines (Ch. 8). It will have tower on top of building, 300-ft. above ground.

WFPPK-TV, Louisville, Ky. (Ch. 15, educational) has ordered RCA transmitter for March delivery, plans start in Sept., reports Richard VanHoose, supt. of Jefferson County Public Schools, also trustee of grantee Louisville Public Library. Ideco 384-ft. tower of library's FM radio WFPPK was designed to accommodate TV antenna, due to arrive March 15.

CKBL-TV, Matane, Que. (Ch. 9) has ordered RCA transmitter for April delivery, plans Aug. programming, writes Ivan Fortier, operations mgr. Transmitter house is half complete; studio equipment is to be installed in May, when work begins on 175-ft. Wind Turbine tower, which will have 250-ft. 18-slot wavestack RCA antenna. Rene Lapointe, from radio CKBL, will be gen. mgr. Rates not set. Rep will be Jos. A. Hardy & Co. Ltd.

Power increase: WSJV, Elkhart, Ind. (Ch. 52) began programming on Ch. 28 Feb. 14 with 231-kw ERP from site near Mishawaka, Ind.

KGEO-TV, Enid-Oklahoma City (Ch. 5) will have 5 Rockford, Ill. businessmen as minority owners, according to application filed with FCC, following recent formal transfer of station to L. E. Caster, now 75% owner, and Ashley L. Robison, 25% (Vol. 14:5). Caster, ex-pres. of WREX-TV, Rockford, will reduce holdings to 41.5% in new Caster-Robison TV Corp.; Robison will retain 25%; Phil Banta, ex-pres. of KGEO-TV, will regain 10%. Rockford investors are Scott Webster, 10%; Frank Franzen and Ken K. Clark, 5% each; Joe Baisch, ex-gen. mgr. of WREX-TV, 2.5%; Clint Maslen, 1%.

TASO activities will be discussed at final session of NAB Broadcast Engineering Conference during NAB convention April 27 - May 1 in Los Angeles' Statler Hotel. April 28 TV session will take up monochrome and color tape recorders, 3-image-orthicon color camera; April 29, new image orthicon tube, TV broadcast repeaters.

J. Smith Henley, ex-FCC associate gen. counsel, now director of Dept. of Justice's newly organized Office of Administrative Procedure, will be speaker on that subject at luncheon meeting of Federal Communications Bar Assn. in Washington's Willard Hotel, March 4.

Single TV application filed this week was by owners of KHOL-TV, Kearney, Neb. (Ch. 13) and satellite KHPL-TV, Hayes Center, Neb. (Ch. 6), seeking Ch. 3 in Sterling, Colo. This brings total to 119 (28 uhf) for stations. [For details, see TV Addenda 26-C herewith.]

FCC Investigation Climax: High point in week's developments in House subcommittee investigation of FCC (p. 1) came Feb. 13 when Dr. Bernard Schwartz, who had been fired as counsel of group early in week, was on witness stand to present evidence he had of wrongdoing in FCC. He was accompanied by his personal counsel Herbert Wachtell, who had served on subcommittee staff.

Schwartz produced 5 checks totaling \$2650 cashed by FCC Comr. Richard A. Mack, issued by Thurman Whiteside, Miami attorney. These were received by Mack after he joined Commission and while Miami's Ch. 10 comparative case was pending. National Airlines won final decision in 4-1-1 vote. Schwartz then read affidavit from Miami Circuit Court Judge Robert Anderson in which Anderson stated that his law firm, before he became judge, had retained Whiteside to handle National Airlines TV case.

Schwartz testified that Mack told his investigators checks were loans from Whiteside; that the two had been friends since they were 18; that he'd borrowed from him through the years. Schwartz said Mack first stated he'd paid some back, later said he couldn't remember doing so, also said some of loans had been "forgiven."

Schwartz and Wachtell then disclosed latter had wire-recorded (with Minifon) interview in which Mack made "key admissions" about payments and about knowing Whiteside was working for National Airlines.

Schwartz then said that A. Frank Katzentine (WKAT, Miami), one of losers in Ch. 10 case, got word from Sen. George Smathers (D-Fla.) that Mack was "pledged" to National Airlines, urged him to try to get "release" from pledge. Schwartz reported that Katzentine said he asked friends of Mack—Perrine Palmer and Jerry Carter—to see whether they could get Mack to get release from pledge to Whiteside; that Mack tried but couldn't.

* * * *

There was considerable cloak-&-dagger stuff earlier in week. Rep. Harris (D-Ark.), chairman of full Commerce Committee, asserted Schwartz had obtained \$400 expenses from subcommittee for trips to New York but in reality used money for moving expenses. Amid assertions by subcommittee members that Schwartz was "contemptible liar," etc., and Schwartz's shouts that he had nothing but contempt for most members of group, he was fired.

Schwartz then ran to Sen. Wayne Morse (D-Ore.) and Sen. John J. Williams (R-Del.) with subcommittee files, leaving them with former; Schwartz's wife also delivered some to Morse. Later, Morse returned material to Harris—but took to Senate floor to demand a Senate investigation, claiming that documents show Administration is "honeycombed with immorality." Schwartz said he gave Morse files because he feared subcommittee was going to "whitewash" FCC and other agencies.

Administration figures were brought into case by Schwartz in his Feb. 13 testimony. He said he had copies of 2 letters from presidential asst. Sherman Adams to Murray Chotiner, onetime political advisor to Vice President Nixon. He didn't disclose contents—but said they involved airlines case. He said he had planned to develop information on "influence" role, in connection with regulatory agencies, played by President Eisenhower's brother-in-law Col. George Gordon Moore, and by former presidential patronage aide Charles F. Willis Jr. and Secy. of Commerce Sinclair Weeks. Schwartz also said Thomas E. Dewey refused to supply information so that investigators could check allegations that his law firm got "non-legal"

\$150,000 fee in Eastern Airlines case before CAB. Dewey firm promptly denied it did any "non-legal" work on case.

Attorney General Wm. P. Rogers said he was putting FBI on case shortly after Schwartz left the witness stand. Then, Whiteside and National Airlines pres. G. T. Baker attacked Schwartz, said Whiteside had never represented the airline, asked to testify. Mack sent letter to Harris Feb. 14, asking for "an early opportunity to . . . answer the unsubstantiated charges, accusations, innuendoes and distortions so recklessly made by Bernard Schwartz."

Schwartz resumes witness stand Feb. 17 to continue giving basis for his charges of misconduct. Figures in Miami TV case are called for Feb. 18-19—Anderson, Whiteside, Palmer and Paul Scott, latter a member of law firm Anderson had left and a director of National Airlines' TV subsidiary. Mack is due to testify Feb. 19 or 20. He told reporters he had no thought of resigning.

FCC Works on Backed-Up Agenda: Getting a breather in sensational House subcommittee investigation (above), FCC tackled backlog of work—granting CPs, approving sales, setting hearings, shifting channels, etc. Here are CPs:

San Francisco, Ch. 38, Golden State Telecasting Co. (realtor Marvin Kratter, 100%); International Falls, Minn. Ch. 11, Minneonto TV Inc. (2700 stockholders headed by LeRoy E. Phaklides); Memphis, Tenn., Ch. 48, Malco Theatres (M. A. Lightman, pres.), also applicant for uhf in Davenport, Kansas City, Columbus (O.), Oklahoma City, Utica.

Translator CPs: Twentynine Palms, Cal., Ch. 70; Redwood Falls, Minn., Ch. 70 & 77; Libby, Mont., Ch. 78; Powers, Ore., Ch. 76.

Also authorized were intercity relays—to KIDO-TV, Boise (Ch. 7) to pick up KLIX-TV, Twin Falls (Ch. 11), and to KDUH-TV, Hay Springs, Neb. (Ch. 4) to pick up KOTA-TV, Rapid City, S. D. (Ch. 3). [For details of foregoing, see *TV Addenda 26-C* herewith.]

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FCC allocations actions: (1) Instructed staff to draft rule-making to allow WKTV, Utica, to move to site 169 mi. from WCBS-TV, New York (Ch. 2), as it shifts from Ch. 13 to Ch. 2. Since site is 1 mi. less than specified in rules, it's expected objections will be filed by CBS and by Maximum Service Telecasters; latter has already objected to another WKTV proposed site which was 3-mi. short of rules-required 60 mi. from WSYR-TV, Syracuse (Ch. 3).

(2) Authorized WTAE, now assigned to McKeesport, Pa., to identify itself as Pittsburgh station, its Ch. 4 to be allocated from Irwin, Pa. to Pittsburgh, effective March 20.

(3) Denied WATR-TV, Waterbury, Conn. (Ch. 53) petition to shift to educational Ch. 24, latter channel to come from Hartford. Commission stated educators have shown sufficient "active interest" in Ch. 24 to warrant leaving it undisturbed.

(4) Threw into one proposed rule-making proceeding the 5 complicated proposals & counterproposals for adding Ch. 8 to one of several cities—Greensboro, Winston-Salem or High Point, N. C. (*TV Addenda 25-S, 25-W, 25-Y*).

(5) Substituted Ch. 75 for Ch. 74, Lewistown, Pa., to permit grant of Ch. 74 translator in No. Warren, Pa.

KTVH, Hutchinson, Kan. (Ch. 12) petitioned for shift of its channel to Wichita.

World TV Boxscore: Trend to advertiser-supported TV throughout free world (see p. 3) has sharply boosted growth potential of the medium, and American enterprisers now see increasing opportunities in TV abroad.

Last year saw foreign TV develop into lucrative market for U. S. programmers—first film, and now also kines—providing the margin of profit for some American film distributors, just as foreign movie sales have traditionally meant difference between loss and profit for theatrical film distributors.

From equipment sales standpoint, situation has resolved to "battle of the standards"—largely U. S. vs. British, German & Dutch manufacturers. Countries adopting U. S. 525-line standards by-&-large have been customers for American transmitters and receivers (though larger countries are striving rapidly to become self-sufficient in receiver manufacture)—while 625-line countries have been buying from Britain and Germany (though Dutch Philips sells sets for all standards).

U. S. 525-line market includes all of the Americas and most of Far East. Most of Europe is market for continental manufacturers of 625-line equipment. Near East, where TV is just beginning, is U. S.-British battle ground, some countries having chosen 525, others 625 lines—the majority now in process of making up minds.

With growth of commercial and privately owned TV, you can expect more foreign stations with American ownership ties—principally in smaller countries where laws don't bar foreign ownership participation. Several big American TV & theatre enterprisers are currently beating the foreign bushes for TV investment opportunity.

It's almost axiomatic that areas of TV's greatest growth are those where the advertiser helps foot the bill. One exception, which may even prove the rule, is United Kingdom, where BBC monopoly built up large set circulation before competitive commercial ITA came upon scene 2 years ago to round out TV service and give Britons a second wave of TV fever. It was success of commercial ITA on Britain's traditionally non-commercial airwaves which encouraged the big state-controlled broadcasting systems of Italy and Germany to go commercial this year—and also inspired commercial operations in Australia, Finland, Spain and elsewhere.

The 23 foreign countries which now carry some form of advertising on their TV systems have 377 of the 527 TV stations and nearly 16,690,000 of the 21,600,000 sets-in-use (though even in "commercial" countries, not all stations are commercial). The 21 countries without commercials have 150 stations, fewer than 5,000,000 sets.

Most spectacular station growth in 1957 was in Italy and West Germany, both currently accepting limited amount of commercial announcements—the former now

enjoying almost 100% nationwide coverage with network of 142 stations (though many are low-powered satellites) and the latter having 69 stations within its borders. Both countries are considering possibility of competitive privately-owned networks.

In Japan, where commercial TV operates along U. S. lines, the 5 commercial TV stations reportedly billed about \$5,000,000 in 1957. There are also 15 non-commercial outlets there, and some 65 CPs outstanding, more than half of them commercial.

Set sales are beginning to climb substantially in these 3 countries—West Germany having reached 1,300,000 sets-in-use by Jan. 1, 1958, Italy 750,000, Japan nearly 1,000,000. Leaders in receiver circulation continue to be United Kingdom with 9,000,000 (including unlicensed sets), Canada & USSR with about 3,000,000 each. Except for Germany, no other foreign country has more than 1,000,000 sets.

Six Iron Curtain countries have total of 73 stations, 3,370,000 sets—but 56 of these stations and 3,000,000 of the sets are in Russia, which reportedly is giving top priority to TV expansion, with 30 stations said to be in construction.

Latin American TV is led by Brazil, which reports 700,000 receivers tuning to its 7 stations, followed by Cuba with 19 transmitters, Mexico with 12, each estimating total sets at about 300,000. Set accretion and station construction continue at snail's pace in most Latin American countries, which nevertheless are among best customers for U. S. TV film programming.

Summarizing country-by-country TV directory in our 1958 Spring-Summer *TV Factbook*, to be published end of this month, this table shows world status of TV stations as of Feb. 15, 1958, and of sets-in-use as of Jan. 1, 1958:

Country	Stations	Sets	Country	Stations	Sets
Algeria	1	6,500	Monaco	1	6,000
Argentina	1	105,000	Netherlands	6	200,000
Australia	6	160,000	Nicaragua	1	1,200
Austria	8	30,000	Norway	1	100
Belgium	4	250,000	Panama ¹	—	8,000
Bermuda ¹	—	5,000	Philippines	1	12,000
Brazil	7	700,000	Poland	5	30,000
Bulgaria	1	500	Portugal	3	5,000
Canada	50	2,900,000	Rumania	1	8,000
Colombia	6	100,000	Saudi Arabia	1	750
Cuba	19	300,000	Spain	1	6,500
Cyprus	1	500	Sweden	4	65,000
Czechoslovakia	4	160,000	Switzerland	5	31,000
Denmark	4	100,000	Thailand	1	17,000
Dominican Rep.	3	7,500	Turkey	1	500
El Salvador	1	7,000	United K'dom	24	9,000,000
Finland	3	8,000	USSR	56	3,000,000
France	23	700,000	Uruguay	1	10,000
E. Germany	10	200,000	Venezuela	10	125,000
W. Germany	69	1,300,000	Yugoslavia	3	6,000
Guatemala	2	11,000			
Hong Kong ²	(1)	2,500	FOREIGN		
Hungary	1	2,000	TOTAL	527	21,615,750
Iraq	1	3,000	U. S.	531	47,000,000
Italy	142	750,000	U. S. Military	31	85,000
Japan	20	942,000			
Korea	1	2,200	GRAND	TOTAL	1089
Luxembourg	1	1,000			68,770,750
Mexico	12	300,000			

¹ Viewers tune to U. S. Armed Forces stations.

² Closed-circuit cable system; not included in station total.

Look for American capital to appear in ownership of several European, and possibly some Latin American, radio and/or TV stations in near future. That is, providing the foreign govts. are more liberal about tolerating foreign ownership than is the U. S., which has strict restrictions on alien ownership. Several deals are known to be cooking quietly, notably one big one involving a radio station in continental Europe. A deal in the Dominican Republic whereby Frank Atlass, program director of Chicago's WBBM-TV and son of CBS Chicago v.p. H.

Leslie Atlass, was to have gone into partnership with ex-TV manufacturer Earl ("Mad Man") Muntz, the one-time Los Angeles used car dealer, was dropped after investigation. They looked into acquisition of a 25% interest each in HIT-TV, Ciudad Trujillo (Ch. 4) and its satellites; only TV operation in the country, it's presently controlled by J. A. Trujillo, son of the Dominican dictator.

New CBS-TV affiliate under Extended Market Plan: upcoming WABG-TV, Greenwood, Miss. (Ch. 6), effective about June 1.

More TV Financial Data: To anyone still laboring under delusion that any TV channel is quick & sure route to riches, a look at FCC's new supplementary tables on 1956 telecasting financial operations is strongly recommended. For they show that despite record gross and profit of industry as whole, just about 34% of nation's TV stations closed their 1956 books with red ink. Whether same condition obtained in 1957, we won't know until latter part of this year when next report is due.

Tables which supplement primary financial data released last fall (Vol. 13:34, 38) tell this story: Of 427 TV stations reporting on full year of operation, 281 reported profit for year, 146 reported loss. Losses weren't confined to uhf operations, either—94 vhf stations were among full-year losers, including 9 of the original 108 pre-freeze stations. Of 85 uhf outlets, 33 made money, 52 lost.

Percentage of losers declined slightly from 1955, when figure was about 40% of total stations (Vol. 12:30). Of stations on air only part of 1955, total of 31 ended year with loss, 7 with profit. About half of 1956's losers did gross broadcast business of less than \$400,000 each, though there were 13 deficit operators who took in more than \$1,000,000 in broadcast revenue.

Other new information brought out in FCC tables:

(1) Total non-network TV time sales for 459 stations were \$823,100,000, net time sales \$689,100,000 after commissions. Time sales were broken down thus: To national & regional advertisers, \$281,200,000; to local advertisers,

\$174,200,000. Network time sales totaled \$367,700,000. Talent and other incidental broadcast activities brought in \$207,800,000.

(2) Average pre-freeze station (excluding network-owned outlets) had total expenses of \$1,799,583, of which \$665,025 was paid out in salaries, \$260,234 for film, \$96,600 for talent, \$157,040 in depreciation and \$620,000 in other expenses. Average post-freeze outlet's total expenses were less than 1/3 of those of pre-freeze station's, coming to \$513,329, broken down thus: salaries \$186,488, film \$58,221, talent \$12,139, depreciation \$77,548, other \$178,933.

(3) Investment in tangible non-network owned TV station property totaled \$429,680,000 original cost, \$273,037,000 depreciated cost. Investment in networks and their stations was \$112,314,000 original, \$71,837,000 depreciated. Other 95 pre-freeze stations represented \$128,000,000 original, \$68,608,000 depreciated. Total for 269 post-freeze vhf's was \$146,620,000 original, \$105,579,000 depreciated; for 95 uhf's \$42,325,000 original, \$27,013,000 depreciated.

(4) All TV networks and stations employed total of 35,710 people—30,169 full-time, 5541 part-time. Pre-freeze station total was 8720 full-time, 1183 part-time, averaging 95 full-time & 12 part-time workers per station.

(5) Broadcast expenses of networks and stations (\$707,228,000) were broken down: technical \$117,718,000, programming \$380,046,000, selling \$59,955,000, general administrative \$149,509,000.

Full tables on 1956 broadcast revenues, expenses & income of TV broadcast service are available from FCC—or we'll get them for you.

Losses of WMBD Inc., Peoria, which started WMBD-TV (Ch. 31) Jan. 1, 1958, ran \$48,585 for 1957, \$24,511 for 1956, for combined TV-radio operation, according to balance sheet filed this week with application for shift to Ch. 25.

ADVERTISING AGENCIES: Thomas B. Adams elected pres. of Campbell-Ewald, succeeding Harry G. Little, who continues as chairman; Colin Campbell promoted to exec. v.p. . . Wm. R. Hesse elected exec. v.p. of Benton & Bowles; Louis T. Steele, John F. Reeder & Edward W. Murtfeldt, senior v.p.'s . . . Ben Duffy, BBDO vice chairman, wins annual *Printers' Ink* gold medal award as outstanding member of adv. community . . . John K. Strubing Jr. retires as Compton vice chairman . . . Hiram S. Brown and Robert C. Lamb promoted to BBDO v.p.'s . . . Frank O'Connor, asst. v.p., TV-radio dept., Ted Bates & Co., transferred from N. Y. to Hollywood to head program development; Jerry Chester takes charge of program development in East . . . Dr. Herta Herzog, McCann-Erickson v.p. & research director, named chairman of Advertising Research Foundation's motivation research committee . . . J. Davis Danforth, BBDO exec. v.p., reappointed chairman of adv. & public relations div. of N. Y. Cancer Crusade . . . A. E. Staley III, ex-A. E. Staley Mfg. Co., named a v.p. of Dancer-Fitzgerald-Sample, Chicago . . . Richard J. Puff, ex-MBS, joins Sullivan, Stauffer, Colwell & Bayles as media research director . . . Miss Jody Hoffman, ex-NBC-TV, named public relations director of Hoffman Adv., N.Y. . . . John L. Bricker, ex-Whirlpool Corp., joins Kenyon & Eckhardt as v.p. of west coast operations.

Long-dangling Buick account, ex-Kudner and reputedly worth \$25,000,000 a year, went to McCann-Erickson this week; it must give up Chrysler account.

New rep: WKJG-TV, Ft. Wayne, to H-R Television (from Raymer).

Ad Tax Scheme Falters: Baltimore's special municipal levies on TV-radio and other advertising (Vol. 14:6), which other taxing bodies have threatened to copy, was being torn up this week by its drafters. Yielding to arguments by broadcasters & newspapers that 1958 city tax (4% on all sales, 2% on media) is business deterrent, Mayor Thomas D'Alesandro suddenly reversed himself, announced his administration plans repeal of ordinance next Jan. At same time he swung his political support to state legislation proposed by Md. Advertising Council to ban all such ad taxes. D'Alesandro said he wanted city tax to stay on books this year to raise needed revenue. But his capitulation on issue—"in view of the recession and the adverse effect it is having on Baltimore business"—strengthens media in 16 court suits, scheduled for argument next month, challenging levy on constitutional grounds. Mayor also said he would urge elimination of 13-mo.-old city tax on manufacturers' inventories & machinery, which already had caused some firms to leave Baltimore (Vol. 13:50). Meanwhile, new outcropping of ad tax scheme appeared in Canton, O., where city councilman "informally proposed" 4% levy which won no immediate support from others. And, W. Va. proposal to extend state sales tax to include 2% tax on ads appeared headed for State Senate pigeonhole.

Robert E. Eastman, ABN pres., and Edward J. DeGray, stations v.p., head delegation to 4 regional affiliate meetings this month: San Francisco, Fairmont Hotel, Feb. 17; Chicago, Drake Hotel, Feb. 20; New York, Waldorf-Astoria, Feb. 25, and New Orleans, St. Charles, Feb. 28.

SMALL RADIOS—NEW JAPANESE INVASION: What bothers the 50-odd U.S. manufacturers of radios and phonographs, now threatened with a veritable "invasion" of Japanese-made items, notably transistorized portable radios (Vol. 14:6), is that American tax money and American military guardianship are propping the economy of one of most skillful and enterprising peoples on earth.

They share that worry with makers of cameras, toys, stainless steel flatware, optical instruments & sewing machines. The Japanese products in these categories are also leaping our tariff barriers -- easily -- to compete in the U.S. market.

Germany presents a like threat -- less in small radios than large, notably radio-phonos in the \$200-\$300 bracket. But the German wage standard is higher and the American product is able to compete on more even terms.

TVs are unaffected yet by import competition -- but they may well be in due time. Certainly, when TV "goes transistor," the transistor-wise Japanese may pose a real threat. Right now, practically no TVs are imported into this country.

* * * *

We spent much of this week probing and trying to evaluate the Japanese radio import situation. Here's gist of what we found out from govt. and private sources:

Japanese radio production jumped from 1,000,000 units in 1952 to 2,000,000 in 1955 and 3,000,000 in 1956. Figure probably is 3,800,000 for 1957 and looks like 5,000,000 for 1958. The American market in 1956 took only 368,040 units, which at Japanese factory prices averaged about \$7 each -- to which, of course, had to be added the 12½% ad valorem duty and a fair profit to handlers.

We imported about 640,000 radios from Japan in 1957 -- and this year, so we're informed, figure may very well run 1,000,000. Japanese trade papers use rule-of-thumb that 30% of Japan's radios are exported, of which 70% go to the U.S.

What concerns American set makers most is not the 1,000,000 import units -- which would be about 10% of U.S. home market, measured by 1957 output (Vol. 14:6) -- but, as one executive put it to us: "They're hitting us in our growth area, or where our new business is -- in transistorized portables and pocket sizes. That's where our profit has been lately."

It's a 50% threat, not merely 10%, in the eyes of some U.S. makers, for the 1,000,000 Japanese imports will compete mainly against our 3,500,000 expected portable sales, of which at least 2,000,000 will be transistor portables. Japanese list prices for portables generally run \$10 to \$30 below ours.

"This is not dime-store stuff, either," said one maker. "They've got quality control over there now. The workmanship is good and the tone is good." When we do compete on price, we apparently do it by skimping on the number of transistors. For example, this week Philco beat the Japanese \$29.95 prices on 6-transistor portables (Vol. 14:6) by coming out with a 3-transistor set at \$19.95 ("no bigger than a king-size pack of cigarets"). Trav-Ler's 5-transistor unit lists at \$29.95.

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In the production of transistors themselves, the Japanese are coming along in a big way. In 1954, they produced only 11,623. Thenceforth, the output multiplied until it was estimated at 8,000,000 in 1957, probably more than 50,000,000 in 1958. So they'll be competing with our burgeoning transistor industry -- about 28,738,000 production in 1957 -- in the export of semi-conductors, too.

Thanks to mass production, average U.S. price of a transistor went down from \$3.10 in 1956 to \$2.40 in 1957. How much, it's being asked, can the Japanese save by increasing their transistor production some 700% this year?

Their labor factor is unbeatable. Govt. sources tell us U.S. radio production workers get about 7 times more than Japanese hand workers. And they look for no increase over there in hand-assembly costs in the near future.

Competition among Japanese radio manufacturers -- there are 36 firms known to be in the field -- is rising. As with TV here, competition may depress prices still further. In early 1957, it was thought that there were only 6 makers of transistor radios among Japan's radio manufacturers. By August 1957, there were 17, according to U.S. Dept. of Commerce list (\$2) which carries some familiar American brand names: Columbia, Crown, General, National, Sharp, Silver, Star, Standard. And these Jap brands: Hitachi, Kikusui, Koyo, NEC, Dianet, Sanyo, Toshiba, Sony.

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What can be done about it? "Not much," say industry spokesmen -- especially in light of our present reciprocal trade policy. Precedent shows that before any industry can ask for increased tariff protection it has to prove that import competition is literally destroying U.S. markets and forcing American labor out of work. This would be hard to prove, what with radio bounding back last year to an 8-year record high of 10,000,000 home units (not to forget 5,000,000 auto units, half of them transistorized) and expected to do even better in 1958.

As for a Japanese invasion of our TV market, it's probably a long way off; they now have all they can do to meet their own demands since TV began to boom in Japan (p. 10). TVs haven't passed 500,000 a year yet. Tokyo prices for 14-in. TVs are still higher in dollars than our prices here for even bigger sizes.

Japan's 5-year plan calls for increases from \$2.8 to \$4.7 billion in exports by 1962 -- with 41% increases in total production, 61% in industrial. The Japs mean business -- that's for sure.

TV-Radio Production: TV set production was 103,730 in week ended Feb. 7 vs. 119,748 preceding week & 101,932 in 1957 week. Year's 5th week brought production to 550,120 vs. 550,113 last year. Radio production was 224,149 (76,794 auto) vs. 245,861 (79,890 auto) in preceding week & 302,356 (127,822 auto) last year. For 5 weeks, production totaled 1,158,912 (422,868 auto) vs. 1,336,812 (649,446 auto).

Retail Sales: Jan. TV set sales at retail were 575,000 vs. 632,000 in Jan. 1957, reports EIA. Total inventory in pipelines at end of Jan. was 2,050,000 vs. 2,300,000 at end of last Jan. Radio sales at retail were 600,000 in Jan. (excluding auto & radio-phonos) vs. 580,000 (which statistically included auto & radio-phonos) in Jan. 1957. Total radio inventory at end of Jan. was 3,330,000, same as Jan. 1957.

Zenith Sues Admiral: Claiming patent infringements on 2 widely advertised features of its TV sets, Zenith filed suit Feb. 11 against Admiral in Chicago Federal Court asking injunction and treble damages. Amount of damages wasn't specified. Suit charges Admiral infringed on 5 Zenith patents involving "Space Command" remote control device and "Fringelock" circuit for holding syne in poor reception areas. Zenith alleges that Admiral hired former Zenith engineer, co-inventor of "Fringelock," to copy the device and that Admiral's fringe circuit is "substantially indistinguishable" from Zenith's. It states that Admiral's remote tuner is so similar that it can "partially control" Zenith sets and vice versa. Complaint says sales of "Space Command" sets have totaled more than \$36,500,000 since device was introduced in 1956, and that Zenith spent more than \$4,500,000 on research in last fiscal year. Admiral issued statement that it will soon file answer asking dismissal of suit and accusing Zenith of "seeking to stop progress through baseless court action lacking in validity." It said circuits and principles of "Fringelock" have been commonly used "over the past 4 decades," that ultrasonic "Space Command" principle was

published in detail, with formulas, by Lord Raleigh in 1877, is same principle used in automatic garage door openers. As to charge of hiring Zenith engineer to get details of "Fringelock," Admiral said engineer was hired 2 years after he quit Zenith and 3 years after the circuit was first incorporated in Admiral receivers. Admiral this week engaged Selvage & Lee as public relations counsel.

Repeal of excise taxes on TVs, radios, phonos, records and all appliances is proposed in S-3263 & S-3264, introduced this week by Senators Douglas (D-Ill.), Morse (D-Ore.), Carroll (D-Colo.). Bills would also eliminate taxes on luggage, admissions, sporting goods, etc., and would cut telephone, telegraph & transportation taxes by 50%. House Ways & Means Committee still has before it proposal to eliminate excise tax on TV sets equipped with all-channel tuners (Vol. 13:50-51). Committee sources say they don't know when subject of excises will be taken up.

Latest IRE TV standard—"Measurement of Luminance Signal Levels, 1958"—is carried in Feb. *Proceedings of the IRE*. Issue also includes index to all IRE standards on definitions of terms for 1942-57.

Trade Personals: Lloyd B. Kiely, ex-Philco of Canada, named to new post of gen. mgr., TV-radio div., Zenith of Canada, Windsor, Ont. . . . David G. Koch promoted to eastern district mgr., industrial sales, RCA electron tube div. . . . John R. Ward, ex-Pyramid Electric, ex-CBS-Columbia, elected comptroller of IT&T components div. . . . Richard T. Orth, ex-Westinghouse & RCA v.p., now v.p.-planning of Sanders Assoc., Nashua, N. H., reports his firm coming out with new product called "Flexprint" (flexible printed circuitry) . . . Don Ross promoted to national field sales mgr. of Pilot Radio, with headquarters in Chicago . . . Michael Ames, ex-Emerson, sets up Michael Ames Assoc., public relations firm, 251 W. 42nd St., N. Y. . . . Edward J. Gerity Jr., ex-Scranton Times, named mgr., general news, IT&T public relations dept. . . . Henry Onorati, ex-Dot Records, named pres. of newly formed 20th Century Records, subsidiary of 20th Century-Fox (Vol. 14:5); Lou Del Gurcio named v.p.; Donald Henderson secy.-treas. . . . Bradley B. Hammond, ex-Market Research Corp. of America, named to new Columbia Records post of director of market research, Clifford J. Benfield named director of organization development . . . Lewis Jesser resigns as sales administrator of Olympic of Cal., San Francisco, to become manufacturers rep.

James M. Toney, new RCA Victor TV div. v.p.-gen. mgr. (Vol. 14:6), announced Feb. 14 that top staff will continue in current positions: J. P. Bannon, sales mgr.; D. D. Cole, chief engineer; J. B. Davidson, purchasing agent; F. R. Demmerly, controller; B. S. Durant, administrator, color TV coordination; J. H. Hickey, administrator, black-&-white TV coordination; A. B. Mills, merchandise mgr.; C. N. Reifsteck, general quality control mgr.; H. M. Rundle, product development mgr.; P. R. Slaninka, personnel mgr.; J. M. Williams, adv. & sales promotion mgr.

RCA's policy of diversifying into new fields, pointed up with appointment of Charles R. Denny as v.p., product planning (see p. 6), was indicated with purchase this week of assets of Arlin Products Inc., 13541 Auburn St., Detroit, maker of custom-built equipment for factories such as conveyor belts. Company had wound up its business, but RCA took over payroll of 50, rental of building, production line.

Obituary

Wm. J. Barkley, 69, retired exec. v.p. of Collins Radio Co., whose home was in Contoocook, N. H., died Feb. 7 in E. Orange, N. J. As a young man, he founded Wireless Specialties Co.; later was gen. sales mgr. of De Forest Radio Co. He joined Collins in 1933 as gen. sales mgr., retiring in 1955. Surviving are widow, daughter, son, sister.

ELECTRONICS PERSONALS: Edward A. Link, originator of the Link trainer plane, elected pres., General Precision Equipment Co., Hermann Place continuing as chairman . . . Rear Adm. Frederick R. Furth, USN ret., IT&T director of research & engineering, elected a v.p. . . . David R. Hull promoted to new post of v.p. for Raytheon defense programs . . . I. Tunis Corbell promoted to mgr., microwave design engineering, GE communication products dept., succeeding A. Clarke Gunn, now mgr., design engineering for military equipment . . . John W. Lazur, ex-Servomechanisms Inc., named military operations mgr., DuMont industrial & military equipment div., succeeding J. Nelson Lord Jr., recently named asst. div. mgr. . . . Boyce Nemece, ex-SMPTE exec. secy., named exec. v.p. of Reeves

DISTRIBUTOR NOTES: DuMont appoints 11 distributors for industrial TV equipment: Appliance Wholesalers, Portland, for Ore. & southwest Wash.; Ecko Sound Equipment, Minneapolis, for most of Minn.; Fentriss Sound Equipment, Oklahoma City, for Okla.; Foster Electronics, Escanaba, for northern Mich.; G&W Distributing, Phoenix, for Ariz.; Rocky Mt. Industrial TV, Denver, for Colo., Wyo. & most of Ida.; Sound Engineering, Dallas, for northeastern Tex.; Southeast Audio, Jacksonville, for northern Fla.; Southern Radio Supply, New Orleans, for southern La. & southern Miss.; Taylored Sound, Albany, for eastern N. Y.; Unitized Electronics, Cleveland, for northeast Ohio . . . Allied Appliances, Inc., Denver (Motorola), has been purchased by 3 employes who become new officers: W. G. Lujan, pres.; A. J. Nerone, v.p.; R. A. Hansen, secy.-treas. & Motorola sales mgr. . . . Ohio Appliances, Cincinnati (RCA), elects Earle F. Bracken v.p.; he continues as branch mgr. in new Reinhold Drive headquarters . . . Westinghouse names R. F. Castner asst. to C. V. Roseberry, midwest region v.p.; G. A. Corcoran succeeds him as Des Moines district mgr. . . . General Electric Appliance Co., Cincinnati, names W. S. McCoy mgr. of dealer sales, succeeding H. W. Burdekin, transferred to same post at GEA, Chesapeake branch, Washington . . . Hotpoint promotes Hal B. Avery to new post of sales planning mgr. for TV and names 4 new marketing counselors: Jacob L. Miller, southeast; Paul L. Sullivan, northeast; Harold P. Murphy, midwest; Mitchell M. Werwa, west coast . . . DuMont N. Y. Inc. promotes Jack Fieldsteel to field sales mgr. . . . Apollo Distributing Co., Newark (Zenith) promotes Wilbur Wosnitzer to sales mgr. of Zenith div.; names Phil Solow district mgr. . . . American Geloso (U. S. rep for Italian tape recorder) appoints Edelmuth & Co., Cleveland; Dymac Inc., Buffalo; Washington Wholesalers, Washington; Hall Co., Los Angeles . . . Hoffman Electronics Corp. consumer products div., names Samson Distributing Co., Pittsburgh, and Western Mass. Assoc. Inc.

More reports on 1957 TV sales by regions, as compiled by local electrical leagues (see also Vol. 14:5-6): Los Angeles—Distributors sold 320,002 TVs in 1957 vs. 350,602 in 1956, 26,276 TVs in Dec. 1957 vs. 36,701 in Dec. 1956; 416,134 radios in 1957 vs. 382,064 in 1956, 66,517 in Dec. 1957 vs. 63,614. Wichita—Dealers sold 16,000 TVs in 1957 vs. 20,185 in 1956, 2017 in Dec. 1957 vs. 2665.

Retail sales of household appliance & radio stores for 1957 were down 2.8%, according to Census Bureau year-end report issued this week. Dealer sales were \$3.9 billion in 1957 vs. \$4.1 billion in 1956; \$448,000,000 in Dec. 1957 vs. \$480,000,000 in Dec. 1956. TV, radio, appliance & electronic parts distributor sales were \$3.96 billion in 1957 vs. \$4 billion in 1956; year-end inventories were 2% below 1956.

Soundcraft . . . J. H. Dalton, ex-Fairchild Camera, named asst. to pres. of Servo Corp. . . . Wells R. Chapin promoted to sales mgr., northeast sales region, GE technical products dept. . . . J. Z. Millar named to head sales of Western Union technical services & equipment, adding to present duties as asst. v.p. of development & research . . . Everett A. Gilbert, Radio Frequency Labs engineering v.p., elected a director . . . James R. Brennan promoted to technical liaison asst. of Sylvania electronic systems div., Dayton . . . Jack A. Amsterdam resigns as adv. & sales promotion mgr. of American Electronics to join pres. James C. Killingsworth of Killingsworth Co. public relations firm, to establish Electronics Publicity Inc. of Cal.

Financial Reports:

OFFICERS-&DIRECTORS stock transactions as reported to SEC for Jan.: American Broadcasting-Paramount—John A. Coleman bought 500, holds 1000. Avco—Herman H. Kahn bought 1500, holds 2500; John A. McDougald bought 9000, holds 10,000; Matthew A. McLaughlin bought 400, holds 1075; Wm. I. Myers bought 500, holds 1000. C&C TV—Matthew Fox bought 7900, sold 1000 by pledgee, holds 617,200 of which 609,300 are collateral against loans. Decca Records—Samuel H. Vallance sold 2500, holds 500. DuMont Labs—Frederick H. Guterman bought 100, holds 400; Percy M. Stewart bought 900, holds 1000. Emerson—Benjamin Abrams bought 9400, holds 261,766 personally, 29,239 in trusts, 65,001 in foundations; Max Abrams bought 3700 and 600 more for trusts, holds 100,909 personally, 13,355 in trusts, 65,001 in foundations.

GE—W. R. G. Baker exercised option to buy 683, holds 12,974; John W. Belanger transferred 100, sold 1000, holds 11,163; Wm. R. Herod exercised option to buy 1930, holds 10,006; H. A. MacKinnon exercised option to buy 200, holds 6427; Francis K. McCune bought 1125, holds 7276; Harold A. Olson bought 297, holds 2307; Phillip D. Reed bought 3300, holds 10,000. Hazeltine—Wilfred M. McFarland bought 100, holds 734; James F. Harrigan bought 100, holds 528. IT&T—J. Patrick Lannan sold 5000 through partnership, holds 5000 in partnership, none personally; Edmund H. Leavey acquired 93 as compensation, sold 25, holds 286; Robert McKinney sold 29,000, holds 1000.

Loew's—Samuel J. Brislin bought 400, holds 900; George Killion bought 29,600, holds 30,600; Robert H. O'Brien bought 500, holds 1000. Magnavox—Frank Freimann bought 1500, holds 54,406. P. R. Mallory—E. L. Nung bought 800, holds 1228. Motorola—Paul V. Galvin sold 300 privately, holds 98,153 personally, 155,580 in trust; Robert W. Galvin sold 200 privately, holds 183,923 personally, 155,580 in trust; Edward R. Taylor bought 500, holds 3560. National Telefilm Assoc.—Robert Westheimer bought 200, holds 400. National Theatres—B. Gerald Cantor bought 15,000 through Cantor Fitzgerald & Co., holds 15,000 in Cantor Fitzgerald & Co., 1000 in National Nevada Corp., 10,000 in Cantor & Douglas, 5000 in Jay Stewart Inc., 69,000 personally; E. C. Rhoden bought 1000 through holding companies, holds 53,525 in holding companies, 35,800 personally.

Philco—C. F. Steinruck Jr. sold 400, holds 10,000; Wm. R. Wilson bought 601, holds 15,431. RCA—George Y. Wheeler II bought 100, holds 10,733 personally, 730 as custodian. Raytheon—Ernest F. Leatham bought & sold 5000, holds 5838. Republic Pictures—Douglas T. Yates sold 1600 through Tonrud Inc., holds 206,337 in Tonrud Inc., 3527 personally; Herbert J. Yates bought 4100, holds 57,160. Siegler—Donald Royce sold 1000, holds 13,416. Trans-Lux—Harry Brandt bought 425 and 850 more through foundations, holds 138,000 personally, 24,470 in foundations, 1400 in holding companies, 17,700 for wife; Richard Brandt bought 550, holds 10,650; Jacob Starr bought 500, holds 51,400.

Trav-Ler—Joe Friedman bought 8200, holds 221,233. Warner Bros.—Serge Semenenko sold 80,000, holds 80,000 personally, 2000 in trust. Webcor—James F. Ralegh bought 200, holds 305. Westinghouse—Fergus M. Sloan sold 400, holds 751; Leonard B. McCully sold 1073, holds 1300.

RKO Teleradio Pictures earned \$3,051,426 in fiscal year ended last Nov. 30 vs. \$2,530,961 in 10 months of fiscal 1956, when accounting delays prevented inclusion of full year's figure, according to consolidated report of parent General Tire & Rubber. Including RKO Teleradio earnings, General Tire's net income last year was \$11,300,355 (\$2.12 per share) on sales (excluding Teleradio's) of \$421,165,147 vs. \$10,860,129 (\$2.30) on \$390,471,355 year earlier.

Reports and comments available: On Collins Radio and on shift of consumer buying habits (in Dec. & Jan.) from autos to other products, from Hemphill, Noyes & Co., 15 Broad St., N. Y. On Westinghouse, by Orvis Brothers & Co., 14 Wall St., N. Y.

P. R. Mallory earned \$3,133,000 (\$2.04 per share) on sales of \$78,055,000 last year vs. \$3,065,108 (\$2.60) on \$68,915,049 in 1956, according to preliminary report which included operations of Radio Materials Co.

Assets of Airdesign Inc., maker of specialty transformers, have been sold by Tele-Video Corp. (controlled by Reeves Soundcraft Corp.) to Joseph M. Baxter, who becomes pres. of reorganized Airdesign.

Dividends: CBS Inc. "A" & "B," 25¢ payable March 7 to stockholders of record Feb. 21; AB-PT, 25¢ March 15 to holders Feb. 21; AT&T, \$2.25 April 10 to holders March 10.

Prime contract award to RCA for missile warning network which ultimately will cost about \$721,000,000 (Vol. 14:3-4) was announced officially this week by Air Force. At same time, leading subcontractors were named as Sylvania (primarily data processing), GE and Goodyear Aircraft Corp. Under separate contract, Western Electric will provide communications equipment linking new missile-detection system with SAGE early warning network. RCA stated it has been studying missile warning techniques for 2 years, independent of military contracts.

Electronics' share of military spending in fiscal year 1959 will be \$4 billion—record 25% of total Defense Dept. \$15.8 billion expenditure for major procurement, production, research & development, according to EIA projections based on recently released Federal budget. Federal spending for electronics has increased steadily from 16% in 1951 to 23% in both 1957 and 1958 fiscal years. In 8 years, electronics' cumulative share has been 19%—\$24.7 billion of \$128.1 billion defense total.

Electronically guided automobile, which travels along special one-mile stretch of road without human guidance, was demonstrated in Detroit Feb. 14 by General Motors. It was first full-sized automatically operated car to utilize principles developed and previously demonstrated by RCA team headed by Dr. Vladimir Zworykin (Vol. 13:42, 14:3) and will be used in development of complete automatic guidance system.

Business & Defense Services Administration of Commerce Dept.'s National Defense Executive Reserve adds these electronic industry executives as members: Richard B. Leng, Packard-Bell; Wm. T. Welsh, Raytheon; Raymond E. Carlson, Tung-Sol; Harry A. Ehle, International Resistance; Walter F. Joyce, Texas Instruments.

* * * *

Voice of Democracy had undemocratic overtones, U. S. Junior Chamber of Commerce inferred in withdrawing sponsorship of nationwide high school student script-writing contest which it shared jointly with NAB & EIA. JCC charged NAB used contest as a "lobbying device" and that, after carrying the ball at the local level, JCC failed to get due recognition when winners visited capital. NAB called withdrawal "headline grabbing attempt;" EIA termed timing unfortunate since it came just when "public attention was on national winners," adding that differences could have been adjusted. NAB & EIA plan to continue the 11-year-old contest; JCC plans one of its own. Almost lost in publicity over controversy were 4 national \$500 scholarship winners: David Hardacre, Piedmont, Cal.; Sharon McClelland, Portland, Ore.; Ross Fish, Phoenix; Barbara Mary Breaud, New Orleans.

GE is so confident FCC will eventually permit clear-channel radio stations to hike power from 50 kw to 500-750 kw, that it has announced plans for building the high power transmitters. Intention is to use GE's new 50-kw unit as driver for 500-kw amplifier, with still another unit to be added for 750-kw. Paul L. Chamberlain, technical products dept. marketing mgr., said price "will certainly be competitive"—about \$400,000.

National Telefilm Associates Inc. now owns 100% of KMG-TV, Minneapolis (Ch. 9), having paid Loew's Inc. \$138,411.36 for its 25%—exactly what Loew's paid for the stock in 1956 as part of \$750,000 deal involving film purchases (Vol. 12:44). NTA acquired 75% control of station last year for \$650,000 (Vol. 13:34, 47). Call letters change March 9 to KMSP-TV.

COMMON STOCK QUOTATIONS

Week Ending Friday, February 14, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Wk.		1957-8		Stock and Div.	Wk.	
High	Low		Close	Change	High	Low		Close	Change
14%	6 1/2	Admiral.....	8 1/4	- 1/8	376 1/2	270 1/2	IBM 2.40b.....	332 1/2	-2 1/2
27	16 1/2	Am Bosch 1.05g.	20 1/2	- 1/8	37 1/2	25 1/4	IT&T 1.80.....	30 1/4	- 1/8
24%	11%	Am Bcstg-Para.1	14 1/2	- 1/8	50 1/2	33	I-T-E CirB1 1/2 d.	37 1/4	- 1/8
43%	29 1/4	Am Mach&F 1.60	36 1/2	- 3/4	10 1/2	7 1/2	List Indst 1/4 e.	8	- 1/2
179 1/2	160	AT&T 9.....	172 1/2	+ 1/4	56 1/2	29 1/2	Litton Ind.....	37 1/4	-1
33 1/2	19 1/2	Amphenol 1.20.	25 1/2	- 1/4	22	11 1/4	Loew's.....	15 1/4	+1 1/4
36 1/4	28	Arvin 2.....	28 1/2	- 1/4	44	28 1/2	Magnavox 1 1/2 b.	35 1/4	+ 1/4
7 1/4	4 1/2	Avco .10g.....	6 1/2	+ 1/8	50 1/4	23 1/2	Mallory 1.40b.	26 1/2	- 1/4
47 1/4	21	Beckm Inst 1 1/4	21 1/2	+ 1/8	131	73 1/2	Mpls. H'll 1.60a	82 1/2	+ 1/2
66 1/4	42	Bendix Av 2.40.	47 1/2	+ 1/8	51 1/4	35 1/4	Motorola 1 1/2.....	39 1/4	- 1/4
52 1/2	27 1/2	Burroughs 1.....	30 1/2	+ 1/8	9 1/2	7	Nat'l Thea 1/2.....	8	+ 1/2
25 1/2	15 1/2	Clevite 1.15g...	17 1/2	- 1/8	38 1/2	28	Paramount 2.....	36 1/2	-2
36 1/2	23 1/2	CBS "A" 1b.....	27 1/4	- 1/8	18 1/2	11	Philco 3/4 f.....	15	+ 1/4
35 1/2	22 1/2	CBS "B" 1b.....	26 1/2	- 1/4	40	27	RCA 1a.....	33 1/2	- 1/8
20 1/2	11 1/2	Col Picture 3/4 t	13 1/4	- 1/4	23 1/4	16 1/2	Raytheon.....	24	+1
54 1/4	25 1/2	Cons Elec. 40a..	29 1/2	+ 1/4	8 1/4	4 1/4	Republic Pic.....	6 1/4	- 1/4
35 1/2	18	Cons Electron...	21	- 1/4	39 1/4	29 1/4	Sang Elec 1.80.	33	-1 1/4
27 1/2	12 1/2	Cor-Dub 1.20.....	14 1/2	- 1/4	18	12 1/2	Siegler .80.....	14 1/4	- 1/4
106 1/4	57 1/4	Corning Glass 1a	76 1/2	-2 1/2	6 1/4	2 1/2	Sparton.....	3 1/4	- 1/4
6 1/4	3 1/2	Davega.....	3 1/2	- 1/8	26 1/2	17 1/2	Sperry Rand.80	18 1/4	- 1/2
47	27 1/2	Daystrom 1.20.	30 1/2	- 1/8	9 1/2	5 1/4	Standard Coil..	7 1/2	+ 1/2
19 1/2	13 1/2	Decca 1.....	15	- 1/8	18 1/2	13 1/2	Stanley-War 1..	15 1/2	- 1/4
15 1/2	13	Disney 40b.....	17	- 1/8	41 1/2	27 1/4	Stew Warner 2b	30 1/2	- 1/2
115	81 1/4	East Kod .90e..	99 1/2	-5 1/2	29 1/4	18 1/4	Storer Bcstg 1.80	22	- 1/4
34	22 1/2	Emer Elec 1.60.	32 1/2	+ 1/8	46 1/4	29 1/4	Sylvania 2.....	36	- 1/2
6 1/4	3 1/4	Emerson Radio..	5	- 1/8	31 1/2	15 1/2	Texas Instru...	28	- 1/2
10 1/4	6 1/4	Gabriel .60.....	8	- 1/8	89 1/4	46	ThompProd 1.40	46 1/2	- 1/2
68 1/2	46 1/4	Gen Dynamics 2.	62 1/2	- 1/2	37 1/2	21 1/4	Tung-Sol 1.40b.	24 1/4	+ 1/2
72 1/2	52 1/2	Gen Electric 2..	61 1/4	-1	30 1/4	19 1/2	20thC-Fox 1.60.	25	+ 1/4
8 1/4	4	Gen Inst. .15g..	5 1/4	- 1/8	25 1/2	15	United Art 1.40.	18	- 1/2
47 1/4	30 1/4	GenPrEquip 2.40	37 1/4	-2 1/4	30 1/2	18 1/4	Univ. Pict 1a..	20 1/4	- 1/4
30 1/2	22 1/2	General Tire .70	27 1/2	- 1/8	28 1/2	16 1/2	Warn Bros 1.20.	18 1/4	- 1/4
45 1/4	36 1/4	Gen Telephone 2	42	-1 1/2	68 1/2	52 1/2	Westingh El 2..	62	-1 1/4
25 1/4	17 1/4	Hoffman Elec 1.	22 1/4	- 1/4	140	91 1/4	Zenith 3a.....	133	+4 1/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/2	- 1/8	44 1/2	29 1/4	Hazeltine 1.40b.	34 1/4	- 3/4
52 1/2	19 1/2	Allied Con 1a..	36 1/2	-2 1/2	3 1/2	2 1/2	Herold Ra .15g.	2 1/2	- 1/4
21 1/2	11	Amer Electro 7.	14	- 1/4	6 1/2	3 1/2	Int Resist. 20..	4	- 1/4
11 1/4	6 1/4	AssocArtProd..	9 1/4	- 1/8	8 1/4	4	Lear.....	5 1/2	- 1/8
12 1/4	4 1/2	Audio Dev .05d.	8 1/2	- 1/4	1 1/2	3/4	Muntz TV.....	1 1/2	+ 1/8
13 1/4	6 1/4	Belock Inst 1/4 t.	9	- 1/8	3 1/2	2 1/2	Muter Co. 1/4 t.	3 1/2	+ 1/2
1 1/4	3/4	C & C TV.....	1 1/2	- 1/8	9 1/4	5 1/2	Nat'l Telefilm..	6 1/2	+ 1/2
5	2 1/2	Clarostat .15g..	3 1/4	- 1/8	2 1/2	1	Nat Union El...	1 1/2	- 1/8
6 1/4	3	DuMont Lab...	4	- 1/8	11 1/4	3 1/2	Norden-Ketay..	3 1/2	- 1/8
7 1/2	2 1/2	Dynam Am.....	4	- 1/8	5	3	Oxford El .10d..	3 1/2	- 1/8
12 1/2	8	Electronic Com.	11 1/4	- 1/8	20 1/2	10 1/4	Philips El.....	14 1/4	- 1/2
12 1/2	5 1/2	Electronics Cp..	6 1/2	- 1/8	12 1/2	6 1/2	Servomech .40.	7 1/2	- 1/8
28 1/2	16	Fairch Cam 1/2 g.	28 1/2	+1 1/4	9	3 1/2	Skiatron.....	4 1/2	+ 1/4
30	8 1/4	General Trans..	20 1/2	-1 1/2	8 1/4	2 1/2	Technicolor....	4	- 1/4
28 1/2	17	Globe Un 1.20b.	16 1/2	- 1/2	5 1/2	3 1/2	Trans-Lux .20g.	4 1/2	- 1/4
4 1/2	2 1/2	Guild Films....	3 1/2	- 1/8					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2 1/16	2 3/8	Magna Theatre.....	2 1/4	3 1/4
Aerovox.....	3 1/2	4	Maxson (W. L.) .05.	6 1/2	6 1/2
Airborne Inst.....	42 1/2	45	Meredith Pub 1.80a.	25 1/2	27
Altec Co .80.....	7 1/2	8 1/4	National Co. (4% stk).	10 1/2	11 1/4
AMP Inc .50.....	16 1/4	18	Oak Mfg. 1.40.....	15 1/2	17
Ampex.....	48 1/2	52	Official Films .10.	1 1/2	1 1/2
Baird Atomic.....	12	13 1/4	ORRadio.....	15	16
Cinerama Inc.....	1 1/8	2 1/2	Pacific Mercury TV.	5 1/2	6
Cinerama Prod.....	2	2 1/4	Packard-Bell .50.	11	11 1/2
Cohu Electronics.....	7 1/4	7 3/4	Panellit.....	5	5 1/2
Collins "A" .35.....	13 1/4	14	Perkin-Elmer.....	25	27
Collins "B" .35.....	13	13 1/2	Philips Lamp (14% of par)	32 1/4	33 1/2
Cook Elec. .40d.....	20 1/2	21 1/2	Reeves Soundcraft (stock)	2 1/4	3
Craig Systems.....	4 1/2	5	Selectvision Inc.....	1 1/2	1 1/4
DuMont Bcstg.....	6 1/4	7 1/2	Sprague Electric 1.20.	30	32
Eitel-McCullough (5% stk.)	27 1/2	30	Taylor Instrument 1.20.	29	31
Elec Assoc (stk).....	38 1/2	41	Tele-Broadcasters.....	2 1/4	3 1/4
Eric Resistor 40b.....	7 1/2	8 1/2	Telechrome .30.....	4 1/4	7
Friden Ind. 1.....	40	43	Telecomputing.....	4 1/4	4 1/2
Giannini, G. M.....	14 1/2	15	Teletrompter (stock)	5 1/4	6 1/2
Granco Products .05.....	1 1/2	1 1/2	Time Inc. 3.75.....	60 1/2	63
Gross Telecasting 1.60.	16 1/2	18	Topp Industries (stock)	9 1/2	9 1/2
Hawlett-Packard.....	21	23	Tracerlab.....	4 1/2	5 1/2
High Voltage .10g.....	24 1/4	26 1/2	Trav-Ler.....	1	1 1/4
Hycor.....	2 1/2	2 1/2	United Artists.....	4	5 1/4
Indiana Steel Products 1.20a.	19	20	Varian Associates.....	15 1/2	17
Jerrold.....	2	2 1/2	Victoreen Inst.....	4 1/4	4 1/4
Ling Industries.....	6	6 1/2	Webeor .25g.....	13 1/2	14 1/4
Leeds & Northrup .60b.	20	22	Wells-Gardner.....	6 1/2	7
Machtel Labs .25g.....	14	14 1/4	WJR Goodwill Station .50d.	11 1/2	12 1/4

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. l Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. m Declared or paid in 1958, plus stock dividend. n Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Two Tape Advances: Two revolutionary developments hit the tape recording industry this week. Shure Bros., major supplier of recording heads to makers of tape recorders, announced a new magnetic head which would double the capacity of any standard tape. And RCA (though officials would not comment) showed an experimental, laboratory-made sample of a magazine-mounted pre-recorded tape.

Either of these developments could revolutionize present tape and tape recording standards. Together they could add more confusion to the tape industry than the 3-speed battle of 1948 forced on the disc business.

The Shure Bros. head (TR-48), as does any standard head, both records on tape and plays recorded tape. As a recorder, it doubles the capacity of any standard raw tape. Users can put 4 monaural sound tracks on a single tape—or 2 stereo tracks. Shure's head emits (or picks up) impulses from 4 stacked "windows" instead of the standard 2—keeping within the width of a 1/4-in. tape. Each track is half as wide as a standard track.

Shure is first out with the new 4-channel head, though other suppliers are working on similar developments. Head will be made available to original equipment makers in May, a Shure Bros. spokesman told us, but prices haven't been determined.

Aside from its effect on tape recorder design, what the Shure head also does is open the field for record companies to double capacity of their pre-recorded tapes. Record firms will be able to put 4 sound tracks on tapes which now take 2—only a short time ago they took but one. New head is "compatible"—that is, it can play present single- or double-track tapes.

On top of this 4-channel head development comes RCA's experimental tape-in-a-magazine. It is not yet ready for marketing, but it's coming. This week's showing was to survey engineering opinion on preliminary sample.

Ultimately the magazine-mounted tape will be boon to tape field since it will do away with the problem of threading end of tape from full reel to empty reel before tapes can be played. Industry views this requirement as a major deterrent to complete consumer acceptance of tape. Magazine-mounted tape permits simplified loading—like magazine-mounted film does in movie camera. With magazines, tape can be as easy to handle as discs are now. But tape will always be more expensive than discs, engineers tell us, and magazine mounting will add further costs. Magazine tape may threaten the dominance of discs, but record men feel their product will always have a key price advantage.

CBS Hits New Records: CBS Inc. consolidated net profits for fiscal year ended Dec. 28, 1957 will reach all-time high of \$22,100,000 (\$2.90 per share) on record gross of \$385,400,000—just as predicted in these columns when 9-mo. reports were made available last Nov. (Vol. 13:46). Figures will compare with \$16,283,000 (\$2.17) on sales of \$354,780,000 in 1956, according to advance report to company's board Feb. 12 preliminary to issuance of annual report. Gross thus went up 8.6%. [For further details on CBS fiscal progress, see Vol. 13:46; for figures on capitalization, sales, pre-tax earnings, net profit, net per share, dividends, assets, price range by years back to 1950, see our Special Report on *Financial Data on Television-Electronics Companies* of May 4, 1957.]

Great Britain's TV set licenses totaled 7,657,184 Nov. 30, up 133,113 from Oct. 31. Radios totaled 7,016,538.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

FEB 21 1958
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Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — February 22, 1958

GENERAL BUSINESS RECESSION'S impact on TV-radio timebuying still vague (p. 1). Digest of Wall St. Journal bearish report on advertising (p. 10).

ANTI-SUBSCRIPTION-TV resolution approved by Senate Commerce Committee majority in contested vote; more hearings due. FCC again defers action (p. 2).

ILLEGAL VHF BOOSTER problem in FCC's lap again, with reply comments in. Stations worry about big-station invasion, uncontrolled interference (p. 3).

"ETHICS IN GOVT." demand raised in Congress as Harris hearings unearth more big politicians who sought to influence FCC, other agencies (pp. 4 & 5).

DOERFER GETS OVATION from NAB state broadcasters group as Fellows defends his "honor & integrity." Chairman warns of govt. control moves (p. 6).

FCC MEMBERS LARGELY LAWYERS in past, few technical men. Since 1934 Act, 31 have been members, 10 now deceased. Most came from other govt. agencies (p. 8).

NEBRASKA SATELLITE STARTS with higher power than parent KOTA-TV, Rapid City, S.D.; on-air total 532 (p. 8). FCC holds firm to Miami Ch. 6 allocation (p. 9).

TREYZ ELECTED ABC-TV president as NBC chooses Sugg v.p. to succeed Denny as head of owned-stations and spot sales; other NBC changes (p. 16).

Manufacturing-Distribution

ANTI-TRUST INDICTMENT by N. Y. Federal Grand Jury strikes at heart of RCA patent practices, charging monopoly in foreign & domestic operations (pp. 1 & 15).

REAR SEAT AUTO TVs COMING in near future. Delco makes 9 prototypes for Oldsmobile, which get good public reaction at auto shows (p. 12).

STEREO'S PACE QUICKENS, component makers aiming to get stereo disc players to May Parts Show; finished goods makers aim at June shows (pp. 12 & 14).

GE STAYS ON TOP of electronics field in Pentagon list of 100 biggest defense contractors (p. 13).

BUSINESS RECEDES, TV-RADIO TOO? Downward trend in business, generally, is conceded to be continuing this quarter -- with inevitable impact on TV-radio time sales as well as sales of receiving sets. How extensive the impact, how long it will last, when the upswing will come, no one can rightly say yet -- but a lot of reporting and talking are being done on the subject. Not much is very definite or conclusive.

That TV-radio is affected by basic business trends, though perhaps less than many other enterprises, goes without saying. At the moment, we only know that at station management levels there are few signs of severe downturns, over-all; that networks and stations tell different stories about conditions, all adding up to the word "spotty"; that receiver sales were down in Jan. (Vol.14:7). And, we might add, mere ballyhoo these days isn't very convincing.

We hope soon to have a survey of our own on TV spot, key to the business. And we'd like to go along with our favorite business report, United Business Service, of Boston, which sees "bottoming out" of the general business recession this summer. Meanwhile, the bearish report on advertising in Feb. 19 Wall Street Journal, and the bullish comment on the condition of TV advertising by TvB pres. Norman E. Cash, are worth considering. We've digested them on p. 10.

ANTI-TRUST INDICTMENT AGAINST RCA: As if RCA didn't have enough patent worries, Feb. 21 criminal indictment by N.Y. Federal grand jury leaves no doubt that Govt. is out to break up its activities as industry's keeper of the patents.

Indictment filed in U.S. District Court for Southern N.Y. by grand jury which sat for almost a year charges 4 counts of violation of Sherman Anti-Trust Act (each carrying maximum \$50,000 fine) and strikes at root of RCA's domestic and foreign

patent practices. In brief, it charges RCA "conspired to restrain the manufacture, sale and distribution of radio purpose apparatus and the licensing of radio purpose patents; and that it conspired to monopolize, attempted to monopolize and monopolized the licensing of radio purpose patents in the United States."

This week's action duplicates to some extent -- but is more far-reaching than -- Justice Dept. civil anti-trust suit against RCA's "package" patent license procedures filed in Nov. 1954 (Vol. 10:47) and subject of sporadic consent decree negotiations between RCA and Justice Dept. in recent months. It comes on top of sensational settlement of Zenith litigation in which RCA, GE & Western Electric agreed to pay Zenith \$11,000,000 (Vol. 13:37) and at a time when RCA is attempting to work out new patent-licensing agreements satisfactory to industry. Pending, too, is patent anti-trust suit brought by Philco (Vol. 13:3 et seq).

There were some raised eyebrows in Washington over the exceptionally strong statement by chief trust-buster Asst. Attorney General Hansen in the press release accompanying indictment -- leading to some comment that Justice Dept. apparently was out to "get" RCA. Hansen's statement, which seemed especially designed to needle RCA's pride in its contributions to national defense, said in part:

"When business practices inhibit the normal operation of an industry essential to our civilian economy and defense program, and deter the competitive expansion of scientific research in the increasingly important area of electronics, as alleged in this case, they become a threat not only to our system of free enterprise but also to our national security...By this criminal action we seek to restore competition in this significant industry so that all competitors of RCA can compete with it at every level from the research laboratory to the sale of end products."

RCA countered with statement that it hadn't had opportunity to study the indictment, but: "For years, RCA has licensed all comers under all patents under which RCA had the right to grant licenses in order that companies in the industry might compete more vigorously and more effectively with each other and with RCA. Electronics is the fastest growing industry in the United States today. RCA has pioneered and been responsible for the creation and expansion of much of this industry. Its policies have meant more and better radio and TV sets for consumers at lower prices, and improved electronic products for business and industry as well as for the Armed Forces."

No individuals were named in indictment, but some 20 domestic and foreign companies -- including GE, Westinghouse & AT&T -- were named co-conspirators. Reduced to basic terms, indictment charges RCA has continued practices outlawed by 1932 & 1935 consent decrees splitting GE, Westinghouse & RCA and breaking up RCA's exclusive sales and patent agreements. [For details, see p. 15.]

SENATORS GET INTO ANTI-PAY-TV ACT: If FCC needed any more persuasion to hold up toll-TV trials, it got some this week when Senate Commerce Committee approved a "sense of the Senate" resolution asking FCC to await decision of Congress before authorizing any subscription TV. FCC meanwhile took no action on fee TV, deferring its discussion for another week because of absence of Comrs. Lee, Mack & Ford.

Senate Committee's resolution -- unlike House Commerce Committee's "sense of the Committee" resolution (Vol. 14:6) -- requires vote on floor. Also unlike House Committee resolution, this one was hotly contested within Committee.

Resolution approved was S. Res. 251, authored by Sen. Thurmond (D-S.C.) and 6 other Senators (Vol. 14:5) -- modified so as not to apply to cable systems. The full text of resolution in its final wording:

"Resolved, That it is the sense of the Senate that the Federal Communications Commission should not, without specific authorization by law, authorize or permit any television licensee, or agent thereof, to impose a toll, fee, subscription or other charge on the general public or any portion thereof, for the privilege of viewing television programs received over television receivers located in the home,

with the exception of both community antenna systems and those programs transmitted by cable or wire or both."

Another round of pay-TV hearings is in the works. Committee voted to hold them as soon as possible -- probably week of March 17 -- on Sen. Thurmond's S-2268 as well as S-2934 by Sen. Langer (R-N.D.) and S-3201 by Sen. Thye (R-Minn.).

Calling of hearings, proposed by Chairman Magnuson (D-Wash), was seen by resolution's backers as diversionary move to block Senate action on the resolution. Explaining his position, Magnuson told press: "If we're going to put out this resolution, we should face up to it and amend the [Communications] Act or not."

Committee was sharply split on pay-TV issue, proponents of fee-TV test being headed by Magnuson and Sen. Bricker (R-O.). Senators Pastore (D-R.I.) & Potter (R-Mich.) joined Thurmond in marshaling anti-subscription group. While vote was not recorded, it's understood that proponents of resolution had single-vote margin. Sen. Lausche (D-O.), one of resolution's co-authors, actually voted against it -- but he explained that he wanted stronger action.

Move to permit fee-TV tests on uhf only -- sponsored by Sen. Yarborough (D-Tex.) -- was killed by about the same vote as finally approved resolution.

Whether resolution will ever reach Senate floor is problematical. First, there will be 2-week wait to give dissenters time to prepare minority report. Then resolution must be passed upon by Senate Democratic Policy Committee, where -- in view of Sen. Magnuson's opposition and fact that this is an election year -- it may well be pigeonholed. Sen. Bricker flatly predicts that it will die in Committee.

Regardless of what Congress finally does -- and regardless of outcome of the Senate's upcoming anti-climactic hearings -- subscription-TV issue looks even less lively this week than last (Vol. 14:7). And major backers of toll TV are hollering that it wasn't killed fair and square.

"Big lie technique" was used by networks and stations against pay TV, Skiatron counsel James M. Landis charged in "letter of complaint" to Chairman Doerfer and in letter asking Sen. Morse (D-Ore.) to investigate.

Landis accused licensees of violating FCC principles and requirements on editorializing where pay TV was concerned, singling out 8 individual stations and condemning the networks in general. Networks immediately issued denials, stating they have been careful to insure that both sides were presented.

Zenith was active, too. In advance of Senate Committee vote, it inserted in large number of newspapers an ad similar to the one it placed in 2 Washington newspapers just before House Committee voted on its pay-TV resolution (Vol. 14:6).

VHF BOOSTERS, WIDE-OPEN SPACES & FCC: Chips are just about down in the low-power vhf booster story. This week, interested (or worried) parties filed their reply comments in FCC's rule-making proceedings which propose to license such outlets. And FCC is going to have to decide what to do about this thorn in its side.

Commission once considered it unthinkable that it legitimize the illegal repeaters that cropped up in western states -- and it started & completed rule-making that flatly rejected the mavericks (Vol. 13:26). However, dogged Ed Johnson, Governor of Colo. and former chairman of Senate Commerce Committee, told Commission to go fly a kite, said he'd authorized boosters himself, as "intra-state" commerce. His successor, Gov. Steve McNichols, persuaded new FCC Chairman Doerfer to give boosters another shake of the dice, and current rule-making was started (Vol. 13:31).

Booster operators, of which there are hundreds, consider current proposal too stringent and costly, while opponents say it's totally unnecessary.

Proponents' main striking force is Colo. TV Repeater Assn., sworn enemy of prime opponents -- community antenna systems, represented by National Community TV Assn. Repeater Assn. agrees that regulation of boosters is necessary, but argues that more power (1 watt) is needed; that adequate interference protection can be obtained through FCC equipment type-approval; that 3 years' grace be given for a

changeover to approved equipment; that there's no danger booster will invade service areas of regular TV stations; that community antenna systems are the real danger to regular service and should be controlled by Commission.

Several stations go along, generally, with Repeater Assn. views -- but they urge, specifically, that boosters be prevented from invading their service areas. They fear big-city stations may offer their towns as bonuses via boosters. Among these: WFRV-TV, Green Bay, Wis.; WPTV, Palm Beach, Fla.; WCTV, Thomasville, Ga.

Some uhf stations are even more fearful of encroachment. For example, KMJ-TV, Fresno, recommends no authorization of boosters now, urges FCC to wait for TASSO's technical allocations data. It fears new data may warrant new vhf allocation but that existence of myriads of vhf boosters -- established with no concern about standard vhf station separations -- may make new allocation impossible. It asks that no boosters be allowed within Grade B contours. Similar views are expressed by WCOV-TV, Montgomery, Ala.; WPBN-TV, Traverse City, Mich.

* * * *

NCTA carried main fight for opponents. It insists that uhf translators are the only answer for hamlet service; that interference produced by vhf boosters is and will be intolerable, will destroy even booster service, let alone distant signals; that cost of vhf boosters under FCC rules will be just as great as that of uhf translators; that booster proponents have glossed over the hard engineering facts of interference. CATV operators appear ready to accept competition from uhf translators. What really worries them is fact that vhf boosters raise unholy hob with their "life lines" -- the distant-station vhf signals that CATV systems distribute to their subscribers.

Assn. of Maximum Service Telecasters is more than a mite concerned, too, right fearful that these "pin pricks" in the hitherto sacrosanct mileage separations of their "bible," the Sixth Report, might eventually bleed their coverage drastically. MST feels FCC's proposed interference guards are too lenient. It proposes series of stringent protections -- including requirement booster operators produce clean bill of health from stations whose signals they relay and from the co- and adjacent-channel regular stations.

Gov. McNichols has done some proselytizing among his western colleagues. Next week, Feb. 23-25, conference of 11 governors meets under his chairmanship at Colo. Springs. Subject is bound to come up. We've talked to several governors or their assistants, and our impression is that most prefer letting FCC expertise this one, won't high-pressure Commission -- particularly now, when pressuring FCC isn't quite de rigueur in Washington.

HARRIS HEARING SPARKS 'ETHICS' DEMAND: An unwonted "wave of indignation" was sweeping through an unusually pious Congress this week as the Harris subcommittee continued to attract nation-wide attention (via TV & radio as well as headlines) to its probe of alleged wrongdoings at the FCC and other regulatory agencies (Vol. 14:2-7).

Such stirrings are periodical -- but it looks as though this time there may really be some permanent results, including changes in the makeup of the FCC.

There was a flurry of bills and statements from both Houses, aimed at producing codes of ethics and setting up criminal penalties for the acceptance of gifts by govt. officials from the industries they regulate.

Chances are the continued testimony of the current subcommittee hearings will produce considerably more evidence of attempted use of "influence" on FCC and other agencies -- Congressional and even White House "influence." Cumulative effect over weeks or months may well provoke eventual passage of some version of "ethics" bills. At any rate, anxious officials are going to be harder to "reach" henceforth.

Interesting highlight of the influence angle is that numerous Senators were mentioned as getting into the now-famous Miami Ch. 10 act -- but no members of the House. Perhaps none was involved, or perhaps "House courtesy" is prevailing to sup-

press references to colleagues. It's difficult to believe, however, that no House members ever attempted to intercede with the FCC for anyone.

This week's testimony by string of Miami witnesses served to take edge off flat charges that FCC Comr. Richard A. Mack actually had "pledged" his vote to winner National Airlines in competitive Ch. 10 case. But that Mack will have hard time explaining loans from Miami lawyer Thurman Whiteside, albeit a boyhood friend, is very evident. It's contended Whiteside never was retained by National Airlines.

Hearing didn't get to Mack's testimony this week. He's now due to go on the stand about mid-week, because of commitments of his newly retained counsel, Roger Robb, son of the late judge of the D.C. Circuit Court of Appeals and member of the Washington law firm of Bingham, Collins, Porter & Kistler.

Hearings resume 10 a.m. Feb. 24 in Caucus Room, Old House Office Bldg., with Whiteside on stand. [For digest of this week's developments, see below.]

Who-Did-What-for-Whom: The web of wire-pulling in the Miami Ch. 10 case got extremely complex at this week's session of the Harris subcommittee investigating charges of FCC improprieties as more and more big names were bandied about. It went into so many devious by-paths that newspapers found it difficult to get substantial headline material, and the public must be more befuddled than ever as the hearings drone on. Next key witness, FCC Comr. Robert A. Mack, didn't get on the stand this week, may not make it until Feb. 26 or 27, meanwhile has volunteered to turn over his financial records to Harris group.

What has been known to observers of TV-radio regulation for years—that direct and indirect pressures, mainly political, mainly through Senators and Congressmen, are applied more often than not in contested cases—is now becoming evident to the committeemen and (it is to be hoped) to Congress as a whole. In the Ch. 10 case, they're dealing with big stuff, not piddling expense accounts or the picking up of hotel tabs by industry folk.

Now without counsel, the subcommittee is relying to some extent on its fired attorney Dr. Bernard Schwartz to point up the important evidence—even though that worthy young law genius didn't cover himself with glory in the way he first attacked the big problem of reforming administrative procedures in the regulatory agencies (Vol. 14:7). Curiously, it wasn't until he was fired that he brought out the well-known fact that perhaps the biggest lobbies in Washington are the legislative and executive topkicks of Govt. themselves.

* * * *

Political repercussions, at voter levels, may well result when the whole picture clarifies and other agencies undergo the same glare of publicity as the FCC. Former President Truman, in Washington this week for a Democratic rally, said the GOP's old charges of a "mess in Washington [have] come home to roost." He told reporters that the Administration has "knocked this investigation in the head"; that Rep. Moulder (D-Mo.), resigned subcommittee chairman, would have done a good job "if they had let him alone."

But the probe transcends party lines, as the name-dropping clearly shows—and the Democrats took more part in wire-pulling, at least in the Ch. 10 case, than did the Republicans.

Ex-GOP Senator Wayne Morse (D-Ore.) renewed demand for a Senate probe, citing cases of Interstate Commerce Comr. Owen Clarke becoming a Chesapeake & Ohio R. R. v.p.; ex-ICC gen. counsel Edward M. Reidy becoming counsel for the Southern Pacific in case he had handled while with ICC.

Aging, gentle Rep. Wolverton (R-N. J.), veteran member of the committee, persistent interrogator of witnesses, asserted a "code of ethics" must be drawn up for the FCC, saying it was "a sorry day in America" when a Commission can be "approached along political lines." Sen. Wm. Proxmire (D-Wis.) introduced bill to prohibit acceptance of industry gifts by govt. officials, co-sponsored by Senators Morse, Humphrey (D-Minn.), Anderson D-N. M.), Sparkman & Hill (D-Ala.), Thurmond (D-S. C.), Langer (R-N. D.), Douglas (D-Ill.).

Rep. Moulder announced he plans to introduce similar bill. Reps. Pelly (R-Wash.) and Cunningham (R-Neb.) introduced bills (HR-10631 & 10780) "to promote ethics in Govt."—applying not only to Federal agency officials but to Congressmen themselves!

* * * *

The hearings dragged into general innocuity, which some think is what the committee really wants—but that's hard to believe, now. At week's end, ex-Miami Beach mayor A. Frank Katzentine, owner of radio WKAT and one of 3 losers in 4-1-1 FCC decision awarding Ch. 10 (now WPST-TV) to National Airlines, was ending several days of quizzing on his own efforts at political wire-pulling. These he said were designed to neutralize what he claimed was "pledge" of Comr. Mack to vote for Airlines.

It developed that Katzentine's good friend Sen. Kefauver (D-Tenn.) had asked Mack and other members of the Commission to vote on "merits" of case; that attorney Downey Rice, once counsel of Kefauver's old Senate crime investigating committee, had gone to Robert L. King, asst. to Vice President Nixon, to get Nixon to intercede on Katzentine's behalf. But there was no evidence that Nixon acted.

Among others contacted by Katzentine or his friends, as adduced in the testimony, were Senators Smathers & Holland (D-Fla.) and Magnuson (D-Wash.). Though he had a strongly-worded favorable report of examiner Herbert Sharfman, Katzentine was quite uneasy, sought to build counter political fires under the Airlines lobby; he insisted efforts on his behalf were made only because of the National Airlines lobby, that he sought to persuade Mack to vote on "merits" of the case.

[It's recalled also that Senators Smathers and Magnuson, with Monroney (D-Okla.), along with Rep. Celler (D-N. Y.), made strong effort to get Commission to hold

up Ch. 10 grant on grounds that an airline isn't entitled to one (Vol. 13:3, 6).]

Most of week's testimony covered relationship of Miami attorney Thurman Whiteside to Mack and to Airlines. Miami Circuit Judge Robert A. Anderson, elderly ex-head of Airlines' law firm, stated he had first approached Whiteside to become associate counsel with his firm and admitted Whiteside's long friendship with Mack was a factor. But Anderson's former partner, Paul R. Scott, testified Whiteside had declined for fear of retaliation from Katzentine. This is obviously going to be main prop of defense of Mack's \$2650 loans from Whiteside as a boyhood friend.

Ex-Miami Mayor Perrine (Gootsie) Palmer, public relations man and friend of principals on both sides, testified he tried to help Katzentine by contacting Mack, but Mack told him "there's too much Kefauver in this situation." Palmer also stated he was in Whiteside's office, listening to a Whiteside-Mack conversation via a phone amplifier, when he heard Mack say he had never been "pledged" to vote for National and that he hadn't made up his mind how he would vote.

Ben H. Fuqua, v.p. of Fla. Power & Light Co., a college classmate of Mack, testified FP&L chairman McGregor Smith had ordered him to go to Mack and urge that Katzentine be given "every fair consideration." He did this, he said, to repay Kefauver for a favor—but he found Mack non-committal.

Jerry C. Carter, member of Fla. Railroad & Public Utilities Commission (on which he had sat with Mack), also a Democratic national committeeman, testified he had admonished Mack "as I would advise my son" to disqualify himself from voting—but that, if he had to vote, to pick Katzentine. The 70-year-old Carter almost broke up the hearing with his humorous remarks, such as: "I'm just a cheap politician—the people I represent can't afford an expensive one."

Carter told subcommittee he got worried about rumors that were damaging to Katzentine. "Why," he exclaimed, aghast, "they carried on a smear campaign that got so bad that they accused him of being a Republican." He said he had helped Mack get FCC appointment, "but I didn't let Mr. Eisenhower or the other Republicans know Jerry Carter was as active as he was; the only thing I done was pull, under cover, all the wires I could."

Carter said he'd made 2 trips to Washington to talk to Mack about Ch. 10 case, added he didn't know who paid his expenses but assumed it was "State of Florida." And, he remarked, he imagined that Congressmen also know how to travel at Govt. expense.

Broadcasters Applaud Doerfer: Standing ovation was accorded FCC Chairman John C. Doerfer at Feb. 19 Washington luncheon of NAB state association presidents, after NAB pres. Harold E. Fellows introduced him as man of "honor and integrity." Deeply moved, Doerfer asserted that he "hoped before the end of the year to be able to convince some other people of my essential integrity"—in obvious reference to House investigation of his finances (Vol. 14:4-6). He said he'd made some "seemingly poor judgments" but he'd be vindicated "when the record is fully developed."

In his prepared address to group, Doerfer urged broadcasters make known their views as to direction govt. regulation should go. He said there are 2 schools of thought on govt. role. "The one school regards adminis-

Harris was as titillated as anyone else by Carter's testimony, but he stated soberly that witness' tale pointed up "one of the most tragic examples of undue influence and high pressure tactics" in the history of regulatory agencies.

Early in week, FCC examiner Herbert Sharfman related history of case, testified he was "surprised" FCC majority picked National Airlines after he had recommended Katzentine; agreed it was fair inference that he considered National least qualified of the 4 contestants, though he didn't find it unreasonable for Commission to reverse him, as it frequently did other examiners' reports. Fortright, lucid, Sharfman drew commendatory comments from the bench after testifying the better part of a day.

* * * *

Whether the White House actually exerted influence in FCC cases isn't clear yet—though Schwartz did produce 2 letters from Presidential asst. Sherman Adams to Murray Chotiner, Los Angeles attorney and former political aide to Nixon, which related to pressures in a CAB case. Schwartz characterized Adams' intervention as "grossly improper." Schwartz also contended that Col. George Gordon Moore, brother-in-law of Mrs. Eisenhower, a public relations man, is partner in a Dominican Republic shipyard with 2 National Airlines officials and helped "engineer" the TV application; Harris has invited Moore to reply.

Schwartz contends more time is needed to develop various cases, asserted that premature disclosure of "investigative leaks" might stultify hearing. Chairman Harris, obviously thinking of Schwartz's own leaks before hearings even began, brushed that aside with "You should have thought of that before." Rep. Moss (D-Cal.) sided with Schwartz and apparently wants hearings slowed down pending collection of more information—leading to suspicion Schwartz may not have much beyond the Mack case.

The New York U professor was given several files to help him develop further testimony. They included "KFRE, Fresno," "Boston Ch. 5" and "Gordon Moore."

In sidelight to Harris subcommittee hearings, A. Frank Katzentine (WKAT), loser in Miami Ch. 10 case, filed brief with Court of Appeals charging that Storer Bestg. Co. had "secret" agreement to sell equipment of its off-air WGBS-TV, Miami (Ch. 23), to winner National Airlines for \$600,000—thus perpetrating "fraud on the Commission." Storer countered by noting that Airlines won CP Feb. 7, whereas agreement for equipment sale came March 28—and was fully reported to FCC and press.

trative agencies as a 'headless fourth branch of the Govt.' which does violence to the basic American concept of the 3 major branches of Govt. The other school holds that administrative agencies were created because practical men were seeking practical answers to immediate problems in a highly complex economic society.

"Although the original Communications Act indicated that the broadcasting industry was to develop within the framework of our free enterprise system, there are today serious suggestions that the guiding finger of governmental regulation point out more specific directions."

Among other activities, conference voted to ask state associations to assume sponsorship of state-level Voice of Democracy contests, following withdrawal of Junior Chamber of Commerce (Vol. 14:7). Group also heard talks by Gabriel Hauge, President Eisenhower's economic advisor, and Eric Sevareid, CBS news analyst.

Television Digest

with ELECTRONICS REPORTS

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Paul Stone, Wm. J. McMahon, Jr.
Wilbur H. Baldinger, Anne G. Bjarbu

Personal Notes: Joseph O. Meyers promoted from NBC news mgr. to director, succeeding Wm. R. McAndrew, now v.p. news; Rex Goad, senior NBC newsroom supervisor, moves up to news mgr. . . . Helen Sioussat, CBS News director of talks, appointed exec. asst. to CBS Washington v.p. Joseph H. Ream, effective March 3 . . . Andrew G. Haley, Washington communications attorney, rocket pioneer and pres. of International Astronautical Federation, left Feb. 22 on 19-city speaking tour of Europe, including Moscow. Subject: "The Law of Outer Space" . . . Louis Wasmer, founder, continues as pres. and Robert Temple as mgr. of KREM-TV (Ch. 2) under new Mrs. Scott Bullitt ownership (Vol. 14:4) . . . Vic Hirsh promoted to a program director, WTOP-TV, Washington; succeeded by Stuart Cameron as asst. director . . . Edwin K. Wheeler, gen. mgr. of WWJ-TV & WWJ, Detroit, is currently taking 13-week advanced management course at Harvard Business School, on leave of absence, returns May 17; asst. gen. mgr. Don DeGroot is in charge during his absence . . . John Hinsey, ex-producer on *Matinee Theatre*, named program director of KRCA, Los Angeles . . . J. P. (Pat) Napier, exec. v.p. of A. C. Nielsen Co., appointed vice chairman & managing director of British subsidiary A. C. Nielsen Co. Ltd., Oxford, replacing Dr. Edward L. Lloyd, now Continental & Australasian supervisor . . . Wm. R. Whitley, public affairs director of KNXT, Los Angeles, to appear before joint committee of state legislature Feb. 28 to testify on communications media's role in promoting traffic safety . . . Bill Hohmann, ex-asst. sales planning & promotion mgr. of NBC central div., named promotion mgr. of WBBM-TV, Chicago, succeeding Ralph

ADVERTISING AGENCIES: Brown Bolte, exec. v.p. & plans board chairman, Benton & Bowles, slated to join Sullivan, Stauffer, Colwell & Bayles as pres., replacing Raymond F. Sullivan, who will continue as chief exec. officer . . . Clarence E. Eldridge, ex-Campbell Soup v.p., Stuart Peabody, ex-Borden, Franklin Bell, ex-H. J. Heinz, set up new marketing management service in George Fry & Assoc., N. Y. . . . Richard J. Sutter promoted to v.p. of Benton & Bowles . . . Edward Battey, Compton v.p. & research director, re-elected pres. of Copy Research Council . . . Elmer F. Jaspian promoted to v.p., Bauer & Tripp, N. Y. . . . Robert Betts promoted to mgr. of Kudner TV-radio commercial dept. . . . Chester L. Posey, McCann-Erickson v.p., named Chicago office mgr. . . . John G. Cole promoted to west coast TV commercial production director of Sullivan, Stauffer, Colwell & Bayles . . . Peter W. Allport promoted to v.p., Assn. of National Advertisers . . . David E. Guerrant promoted to exec. v.p. and P. L. O. Smith to senior v.p., John W. Shaw Adv., Chicago . . . Charles F. Bennett, ex-Lennen & Newell, named merchandising director of Erwin Wasey, Ruthrauff & Ryan.

St. Clare of Assisi, 13th Century nun who saw far-off church service while lying ill in convent, has been named by Pope Pius as patron saint of TV.

Trieger, resigned . . . Wm. G. Mulvey named program director of WFBG-TV, Altoona, succeeding George Carroll, now gen. mgr. of radio WNHC, Hartford . . . Charles E. Larkins, from KTUL-TV, Tulsa, named head of new central sales promotion dept. for all Griffin stations (KTUL-TV & KTUL; KATV, Pine Bluff-Little Rock; radio KFPW, Ft. Smith, Ark.) headquartering in Muskogee, Okla. . . . George Whitney, v.p. & gen. mgr. of KFMB-TV, San Diego, elected pres., Cal. Bestrs. Assn. . . . David Lundy, ex-KGO-TV & KGO, San Francisco, joins rep Blair-TV as Los Angeles office mgr., replacing Frank Moreland, resigned . . . Alvin A. Dann, ex-Lynn Farnol Group public relations firm and NBC consultant, named public relations director, Assn. of National Advertisers . . . Newell P. Schwin, film sales mgr., CBS-TV's Terry toons div., named to new post of special projects mgr., CBS-TV network sales . . . Kirk Torney, ex-Associated Artists, joins Sterling TV as gen. sales mgr. . . . Kenneth Schwartz promoted to managing editor of *Tide*, succeeding Alvin W. Outcalt who becomes managing editor of *Sponsor*.

Marianna Woodson Cobb, one of the nation's few women TV-radio consulting engineers, leaves Washington firm of Vandivere & Cohen to establish own practice, working initially from home, 3849 N. 30th St., Arlington, Va. (Jackson 7-7410). She holds A.B. in mathematics from Southwestern College, Memphis, is registered professional engineer, specializes in antenna design. Currently, she's helping husband Richard S. Cobb, frozen food broker, prosecute AM application for Williamsburg, Va. (740 kc, 500-w, D). Prior to joining Vandivere & Cohen year ago, she worked briefly for Page, Creutz, Steel & Waldschmitt after 8 years with Kear & Kennedy. She's mother of 3—daughters 4½ & 2, son 2 months.

Richard D. Buckley, program & sales v.p. of DuMont's WABD and director of its WNEW div., is turning over his 66.7% of radio WHIM, Providence, to trusts for children, it's revealed by transfer application filed with FCC.

Robert A. Schmid, RKO Teleradio v.p., ex-Mutual, is reported this week by broker Hamilton, Stubblefield, Twinning & Assoc. as proposed purchaser of radio WESC, Greenville, S. C. (660 kc, 5-kw, D) for \$267,000.

Obituary

Mrs. Virginia Lee Carter Ford, 50, wife of FCC Comr. Frederick W. Ford, died of cancer in Garfield Hospital, Washington, Feb. 19, after 4 years' illness. Native of W. Va., she taught school before marriage in 1933. Interment, with only members of family present, will be in Arlington Cemetery Feb. 24. Surviving, in addition to Comr. Ford, are 12-year-old daughter Mary Carter Ford, sister Mrs. H. H. Snider, Parkersburg, W. Va.

Harold C. Burke, 58, gen. mgr. of radio WCAO, Baltimore, former mgr. of WBAL-TV & WBAL there, and of WRTV(TV)—Asbury Park, N. J., died at Baltimore's Mercy Hospital Feb. 19.

Frank J. Reynolds, 67, pres. and director of Albert Frank-Guenther Law, died in Mount Sinai Hospital, N. Y., Feb. 14. Surviving are widow, 2 daughters.

Florien P. Gass, 56, research director of Doremus & Co., died at his Hempstead, L. I., home Feb. 18.

Honig-Cooper Co. and Dan B. Miner Co., western agencies with combined 1957 billings of \$13,500,000, merge as Honig-Cooper & Miner. Louis Honig is pres., John C. Morse, senior v.p.

Week's New Starter: Another satellite got going this week—KDUH-TV, Hay Spring, Neb. (Ch. 4) which on Feb. 20 began carrying programs of parent KOTA-TV, Rapid City, S. D. (Ch. 3), located 100-mi. northward. Fill-in service, according to pres. Mrs. Helen Duhamel, will at least double the KOTA-TV service area. The \$200 base rate put into effect last Jan. 1 will cover both stations, which are CBS & ABC outlets.

New northwest Nebraska outlet, connected to Rapid City via private microwave, is 532nd station on the air (91 uhf) and only one to start this week. It's presently in charge of chief engineer George Jelinek, ex-KHOL-TV, Kearney, Neb., and will shortly have resident mgr. National rep is Headley-Reed.

Satellite actually is higher powered than parent station—its 100-kw comparing with 72.4-kw at Rapid City. Latter town also has competitive vhf outlet which began operation last Jan.—KRSD-TV (Ch. 7) which has NBC affiliation and is headed by Eli Daniels. Mrs. Duhamel, 4th generation in area, also owns town's major dept. store and with children controls 22-year-old radio KOTA.

KTVR, Denver (Ch. 2), owned 50% each by Gotham Broadcasting Co. (J. Elroy McCaw & John Keating) and Radio Hawaii Inc. (John Shaheen's Founders Corp., air travel insurance) is subject of current sales negotiations with Kenyon Brown group, which includes Bing Crosby, oilman George L. Coleman & banker Joseph A. Thomas. Purchase price isn't indicated, but same buying group recently bought independent KCOP, Los Angeles (Ch. 13) from Copley Press for \$4,000,000 (Vol. 13:50). They also own 17% each of radio KFOX, Long Beach, Cal. Veteran Texas broadcaster Kenyon Brown also owns 49.99% of radio KANS, Wichita; 22.15% of KGLC, Miami, Okla. Loew's Inc. (MGM) recently dropped option to purchase 25% of the Denver independent (Vol. 12:36).

Correction: Joe Baisch, gen. mgr. of WREX-TV, Rockford, Ill. (Ch. 13), was mentioned inadvertently in article in Vol. 14:7 as having left that job in connection with Rockford station group's acquisition of interests in KGEO-TV, Enid-Oklahoma City (Ch. 5). He continues as WREX-TV gen. mgr. under new ownership (Continental Television Corp., which includes Bob Hope, Albert Zugsmith, Ashley Robison) and pres. L. E. Caster also continues as chief corporate administrator. The Enid station, incidentally, is changing call letters to KOCO-TV, and converting old airplane hangar into Oklahoma City studios.

Transfer of WKRG-TV, Mobile, Ala. (Ch. 5) & WKRG to new Giddens Television Inc. (Vol. 13:46) was approved this week by FCC. Giddens remains as pres., becomes gen. mgr. and 50% owner after turning over 20% of stock, plus his option on other 80% of present WKRG-TV Inc., to new corporation. Other 50% is being purchased for \$1,050,000 by *Mobile Register and Press* (Ralph B. Chandler, pres. & publisher). Giddens Television also is to borrow additional \$130,000 to compensate other WKRG-TV Inc. stockholders.

Control of KAVE-TV, Carlsbad, N. M. (Ch. 6) will be held by Edward P. Talbott, chief engineer and 5% owner of KROD-TV, El Paso (Ch. 4)—FCC this week having approved sale of 54.16% (2003 shares) by Mrs. Nancy H. Battison for \$43,500 (Vol. 14:2). Talbott is increasing holdings from 21.7% to 51% by acquiring 1038 shares from Mrs. Battison, plus additional 325 currently unissued shares from corporation. Other 965 shares (26.1%) are being acquired from Mrs. Battison by Ralph V. Davies, El Paso architect-engineer.

Facilities change: WSAU-TV, Wausau, Wis. (Ch. 7) Feb. 21 boosted power to 316-kw after move to 600-ft. tower at new site.

Call letter change: WMFD-TV, Wilmington, N. C. (Ch. 6) changed to WECT.

Do You Know That . . .

FOR BETTER OR WORSE, lawyers and people drawn from other state and Federal jobs have dominated the makeup of the FCC since its inception July 11, 1934 as successor to the Federal Radio Commission, whose membership we discussed in this column last week (Vol. 14:7). Of the 31 persons who have sat on the FCC, all but 10 are or were lawyers. There have been only 5 technical radio men. Five came from state public utility commissions. Two were ex-Governors, 2 ex-Congressmen. Ten are deceased.

The original FCC had 5 lawyers out of 7 members. The late Judge E. O. Sykes, chairman, was onetime justice of the Miss. Supreme Court. He was a carryover from the FRC, as was the late Thad H. Brown, ex-Lt. Gov. of Ohio. Other deceased members were Hampson Gary, Texas lawyer and former diplomat with top ranks in Egypt & Switzerland, and George Henry Payne, public relations man, an ex-New York City tax commissioner.

Surviving members of the original Commission are: Paul A. Walker, who came from the Okla. Public Service Commission, later became chairman; now 77 and residing in Norman, Okla., he lives in comfortable retirement, having recently struck oil on some family lands. Norman S. Case, ex-Gov. of Rhode Island, now 70, living in retirement in Wakefield, R. I. Dr. Irvin S. Stewart, State Dept. career attorney appointed to FCC at age 35; he served 3 years, for last 12 years has been pres. of U of W. Va.

[Dr. Stewart, incidentally, was besought by Speaker Rayburn for chief counsel of the Moulder committee, even before Dr. Schwartz, but he declined.]

* * * *

Rep. Anning S. Prall, Tammany Congressman from New York City and House leader who helped put through the Communications Act of 1934, succeeded Hampson Gary who died after only 6 months in office; now deceased, Mr. Prall was later to become chairman.

Then came Comdr. T. A. M. Craven, a present member, who had been loaned to the FCC engineering dept. by the Navy; he resigned from the Navy because chronic seasickness made him unfit for sea duty, served on FCC for 7 years, then went into private consulting engineering practice for 12 years until renamed to Commission in 1956.

The late Frank R. McNinch, a No. Carolina "Hoovercrat," was next appointed in 1937, succeeding to the chairmanship on Comr. Prall's death; he had been a state utilities regulator, then with Federal Power Commission. Next appointee was the late Frederick I. Thompson, Montgomery (Ala.) newspaper publisher, who served only 26 months.

Then came James Lawrence Fly, like Craven an Annapolis man but also a Harvard law graduate, brought over from TVA; he became chairman, served 5 exciting years, in 1944 went into law practice in Washington and New York and, though he's senior partner, spends most of his time at his home in Daytona Beach, Fla. The late

Ray C. Wakefield, ex-California utilities commissioner, served nearly 7 years, failed of reappointment by Truman. Comr. Clifford Durr, ex-gen. counsel of Reconstruction Finance Corp., brother-in-law of Supreme Court Justice Hugo Black, served 7 years, 1941-47; at last reports, he was practicing law in his native Montgomery, Ala.

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First graduate from the ranks, having risen to chief engineer, ex-Navy radioman Lt. Ewell K. Jett's appointment was hailed in 1944 and he served nearly 4 years with great distinction, quitting to found *Baltimore Sun's* WMAR-TV, which he still directs.

Paul A. Porter succeeded Larry Fly as chairman in 1944; he had held many high offices in the Roosevelt Administration, served only about 14 months until called away to another assignment, now practices law in Washington. On his Commission was Charles R. Denny, who had risen to gen. counsel, was appointed at age 33, became chairman after Porter, resigned in 1937 to become an NBC exec. v.p.; last week, he was elevated to RCA v.p., product planning (Vol. 14:7).

Also on Porter's Commission was the late William H. Wills, ex-Gov. of Vt., who died after only 7 months in office.

Rosel H. Hyde, of Utah, career man who rose from lawyer for old FRC to gen. counsel of FCC, succeeded Denny as chairman in 1946, and still is one of the Commission's mainstays. Commodore Edward M. Webster, like Hyde a welcomed career appointee, had been wartime chief of Coast Guard communications; he served nearly 10 years, is retired now; 69 next week, he lives in Washington, does some consulting work.

Rep. Robert F. Jones (R-Ohio) was named in 1947, served 5 years, then left to practice law in Washington, representing Storer, among others. The late Wayne Coy, Indiana newspaperman and a top New Dealer, served a little over 4 turbulent years until 1952 as chairman, quit to go into TV-radio ownership with Time Inc., died last year at age 56.

Also up from the ranks, George E. Sterling, ex-Dept. of Commerce radio inspector, author of a standard textbook on radio, had become chief engineer before being named commissioner in 1948, serving 6 years until 1954 when he retired to his native Peak Island, Me. Frieda B. Hennock, N. Y. attorney, was first woman member, serving one full term, 1948-55; she's now Mrs. William Simons, wife of a retired realtor, resides in Washington, handles some legal cases, recently helped engineer sale of Mutual Network and reputedly owns part.

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Seven of the other 9 are still sitting, oldest in term of service being Robert T. Bartley, nephew of Speaker Rayburn, onetime Yankee Network executive, appointed in 1952 and due for reappointment this spring. Eugene H. Merrill, from War Production Board, onetime Utah utilities engineer, served interim term of only 7 months, was not confirmed, now is a NATO official in Paris. George C. McConnaughey, ex-Ohio public service commissioner, became chairman from Oct. 1954 to June 1957, now practices law in Washington and Columbus.

The others: Chairman John C. Doerfer, ex-chairman, Wis. Public Utilities Commission, appointed in April 1953; Robert E. Lee, ex-FBI executive, in Oct. 1953; Richard A. Mack, ex-chairman, Fla. Public Utilities Commission, in July 1955; Comdr. Craven, named again in July 1956; Frederick W. Ford, onetime FCC attorney, later a top aide to the Attorney General, appointed last Aug. 29.

FCC Allocations & CP Actions: FCC undertook to decide no cause celebre this week, with Comrs. Ford & Mack absent—former because of wife's death (p. 7), latter because of Harris subcommittee hearings (pp. 4-6). Among actions:

(1) Denial of petitions for reconsideration in Miami Ch. 6 allocation. WITV, Ft. Lauderdale (Ch. 17) had claimed right to shift to the newly assigned vhf channel, but Commission said that allocation wasn't made as replacement for uhf in Miami; that WITV can apply for Ch. 6 like anyone else—as it has. WTVJ (Ch. 2) had argued that Miami didn't need 4th vhf channel and that it may not be feasible to use it because of airspace problems. FCC simply disagreed.

(2) Amendment of experimental Ch. 12 grant to WJMR-TV, New Orleans (Ch. 20) to specify that if WJMR-TV goes into comparative hearing on Ch. 12 no weight will be given to funds expended by WJMR-TV on experiment.

(3) Examiner Herbert Sharfman issued initial decision granting CP for Ch. 2 to WTVI, St. Louis, which has been on the channel temporarily. Examiner's recommendation follows merger whereby La. Purchase Co. withdraws competing application, its stockholders subscribing to 135,190 shares of WTVI stock at 10¢ per share and getting \$41,000 for expenses (Vol. 14:6). Sharfman said no "trafficking" or "payoff" was involved.

(4) Granted Ch. 13, Hibbing, Minn., to WEVE, Eveleth.

(5) Granted waiver of rules permitting WVEC-TV, Hampton, Va. (Ch. 15) to identify itself as "Hampton-Norfolk."

(6) Shifted Ch. 11 from Galveston to Houston, allowing KGUL-TV to become Houston station.

(7) Received petition from educational WTVS, Detroit (Ch. 56) seeking shift of Ch. 12 from Flint to Detroit so that station can apply for it.

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Canadian channel changes announced this week following agreement with U. S.: Substitute Ch. 9-plus for 10 in Calgary, Alta.; Ch. 10 for 8 in Lacombe, Alta.; Ch. 6-plus for Ch. 6 in Red Deer, Alta.; Ch. 3-minus for Ch. 4-plus in Winnipeg, Man.; Ch. 11 for Ch. 4 in Amos, Que.; Ch. 4 for Ch. 11 in Rouyn, Que. Also, add Ch. 8 to Camrose, Alta.; add Ch. 2 to Elk Lake, Ont.; delete Ch. 2 from Ville Marie, Que.



TV station for Curacao, Dutch island off northern coast of Venezuela, is scheduled to begin next fall, according to International Services Ltd., N. Y., whose pres., Harry M. Engel Jr. (owner of KUAM-TV, Guam) has been retained as consultant. Intercontinental said station will also cover neighboring Dutch island of Aruba.

Tape repeats of color shows for west coast viewers was inaugurated by NBC Feb. 19 with delayed repeat of *Kraft TV Theatre*, using new RCA color TV tape recorder (Vol. 13:43, 47, 49). Unannounced on-air test last week was pronounced success by network engineers.

Single TV application filed this week was request for educational Ch. 56, Tacoma, Wash., by Clover Park School District. This brings total now pending to 119 (29 uhf). [For details, see *TV Addenda 26-D* herewith.]

Two more bills to ban toll TV were introduced in House this week, bringing total to 16. They were HR-10791 by Rep. Nimitz (R-Ind.) and HR-10826 by Rep. Moore (R-W. Va.).

All Advertising Slipping? It's a darkening picture for advertising as a whole painted by *Wall Street Journal* reporters Daniel M. Burnham & J. H. Rutledge in Feb. 19 story on space and time buying by major companies headlined: "Ad Slow-down, Recession Brings Drop in Outlays as Business Strives to Cut Costs. Look, Life, Reader's Digest Space Sales Slip; New York Newspapers Lose Linage. More TV Sponsors Drop Out."

While 1957 dollar ad volume was at all-time high, showing increases over preceding year for all media save farm publications, ranging from 2.8% for newspapers to 4.4% for magazines, 7% for business papers, 8.7% for TV, 14.3% for radio (see McCann-Erickson-Printers' *Ink* figures in our Vol. 14:5), big financial journal's staffmen note a "growing wave of cutbacks and cancellations" that may presage "the first year-to-year drop in ad spending since 1942." They say:

"The ad cutback perhaps has been more sudden for network TV than any other major media," coming hard on a "record 1956 volume of \$516,000,000." They also say: "Networks are now without sponsors for some of their high-priced evening programs . . . A number of sponsors have cancelled programs in March, 3 months in advance of the season's normal conclusion in June."

CBS sales v.p. Wm. H. Hylan is quoted: "There is a distinct attitude of caution on the part of companies concerning advertising expenditures [and] growing reluctance . . . to make long commitments." Newly named ABC-TV pres. Oliver Trezyz said: "The businessman is more cautious and much more cost conscious than last year."

Curiously, not a word is said about national TV spot, which now represents half or more of most stations' income and which last year, according to McCann-Erickson-Printers' *Ink*, went up 12.9% to \$367,000,000, or about local which went up 10.1% to \$281,000,000.

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Magazines began to feel the impact of cutbacks about first of year, article states. Survey of Jan. 1958 pages vs. Jan. 1957 in major weeklies shows *Life* down 25%, *Newsweek* 13%, *Saturday Evening Post* 10%, *Time* 12%, *U. S. News & World Report* 2%, *Look* (bi-weekly) 20%. (Among gainers were *New Yorker*, 10%; *Sports Illustrated*, 21%.)

Movies, TV & Labor: AFM struck major Hollywood studios this week over demand for 3% of gross revenue from TV exhibition of post-1948 features, but impact on producers—Columbia, MGM, Paramount, 20th Century-Fox, Warners—wasn't felt immediately as none is scoring pictures. Secondary issue in strike was demand by AFM Pres. Petrillo for increased payments to union's Music Performance Trust Fund from TV sales & rentals of pre-1948 films. Meanwhile, Writers Guild of America membership voted to cancel contracts with movie producers as soon as possible and replace them with pacts granting writers royalties on films shown on pay TV. In other actions, WGA membership: (1) Approved March 22 strike against Republic Pictures as result of that studio's sale of post-1948 features to TV (Vol. 14:3-4). (2) Authorized WGA screen board to give 60-day strike notice to producers associated with United Artists who have released post-1948 films to TV. (3) Voted to bar members of WGA's TV & radio branches from taking motion picture assignments.

Monthlies fared no better: Declines were *Ladies' Home Journal* 19%, *Good Housekeeping* 13%, *Cosmopolitan* 12%, *Reader's Digest* 10%, *Esquire* 9%, *Vogue* 7%. (Up were *Coronet*, 43%; *Holiday*, 18%.)

Article reported Media Records Inc. as stating total newspaper linage in 1957 fell off 2.8% from 1956, which seems to be at variance with McCann-Erickson-Printers' *Ink* figure showing newspapers enjoyed dollar ad volume increase of 2.8%. For Dec., newspaper linage was said to have fallen off 1.4% despite increases in retail and automotive copy. *N. Y. Times* was said to be way down in classified in Jan., mostly due to fewer help wanted ads.

The "hard sell" types of advertising—direct mail and local radio—were found bucking the trend and still going up. Article concludes:

"The business decline appears to have had a rolling effect on ad media . . . newspapers [were hit] first because they have the shortest lead time in placement of ad schedules and hence can be cut back most quickly. Magazines, with somewhat longer lead times, began to feel the cutbacks around the end of the year. And network TV, with the longest lead time, is just beginning to feel the advertising retrenchment."

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As if in reply to *Wall Street Journal's* thesis, though his remarks came day before article appeared, pres. Norman E. Cash, of Television Bureau of Advertising, speaking before Des Moines Ad Club Feb. 18, reported that "in the last 60 days TV budgets have increased and are currently running at levels as high or higher than any month in TV's history." For instance, he cites:

"December 1957 network billings as compared with Dec. a year ago were up 11%," doubtless referring to latest PIB reports (Vol. 14:6). "Trade indications and preliminary figures available to us for the month of Jan. indicate that this rate of increase has continued. There seems to be no doubt that increase in all 3 networks' billing in Jan. '58 will be as great or even possibly better than the rate of increase shown in Dec."

While asserting "hard sell era is here," Cash noted that "more advertisers will be using TV in 1958 because 42,500,000 homes own at least one TV set and the average TV home is spending 5 hours, 51 minutes per day . . . I am surprised at the reporting which refers to TV cutbacks and infers that hard sell can only be accomplished in newspapers."

First quarter billings of WABC-TV, N. Y. so far are running 53% ahead of same 1957 period, reports Robt. L. Stone, v.p. & gen. mgr. of ABC flagship. Since Dec. 20, station has written \$1,700,000 new business. "Our business picture," said Stone, "is completely contrary to the current attitude of pessimism. And we intend to keep it that way."

'Round-the-clock telecasting Mon. thru Fri. was inaugurated last week by Triangle's WFIL-TV, Philadelphia (Ch. 6), following start of 24-hour programming 7 days a week by same company's WNBFTV (Vol. 14:7). WFIL-TV will program feature films, news, weather and road reports, as well as news about factory and social activities, during the nighttime period.

Westinghouse Broadcasting Co. is sending Benny Goodman Orchestra to Brussels World's Fair for series of concerts May 25-31. Recordings of performances will be broadcast as ten 60-min. shows on Westinghouse radio stations and in special 30-min. documentary film on TV.

Philadelphia Experiment: Proposing to operate experimentally from transmitter located in Philadelphia while also maintaining current site at Pitman, N. J., Storer Broadcasting Co.'s WVUE, Wilmington-Philadelphia (Ch. 12) this week asked FCC for permission to carry out one-year test of newly designed directional antenna. Under proposal, experimental transmitting antenna would be located on the "antenna farm" now being used by Philadelphia's 3 stations and would be operated alternately with existing antenna for purposes of test measurements. Proposed experimental site is 7 mi. NNW of Philadelphia center and 26 mi. northeast of Wilmington; height of 1098 ft. is requested. New site would be 144 mi. from co-channel WNBC-TV, Binghamton vs. 167 mi. for current site. Storer plans to alternate use of Pitman and Philadelphia transmitters at 10-min. and 30-min. intervals during various broadcast and non-broadcast periods. Regular programming of WVUE would be used during broadcast day. Tests would be conducted under supervision of Dallas consulting engineer A. Earl Cullum Jr. and Boston antenna expert Andrew Alford, who designed special directional antenna. Storer claims proposed operation would improve coverage of both Wilmington and Philadelphia and enlarge WNBC-TV's coverage area by reducing interference. At same time, WVUE announced it's accepting bids for permanent Wilmington \$250,000 studio-office building.

TV-Radio Reciprocal Trade: Slow start on proposed TV-radio exchanges with USSR following signing of cultural agreement (Vol. 14:5) was reported by U. S. negotiators this week. State Dept. arranged conference with NAB pres. Harold E. Fellows Feb. 24 to explore participation by American broadcasters in pact negotiated "in principle" with Russia. Preliminary discussions with industry leaders here are expected to "help set up a tent for us." Preparatory to scheduled meeting in Washington with Ambassador Wm. S. B. Lacey, chief U. S. negotiator of trade pact, Fellows conferred in N. Y. with heads of 3 networks. No firm plan for program exchanges was reported, however. Meanwhile, new Soviet Ambassador Mikhail A. Menshikov told Marguerite Higgins in copyrighted N. Y. *Herald Tribune* interview that he "would not exclude the possibility" of Russians showing panel-type TV shows on which U. S. leaders, including President Eisenhower, would appear. Earlier, Ambassador Lacey said he was optimistic about outlook for actual TV-radio trade.

New CBS-IBEW pact was rejected this week by union's N. Y. & Los Angeles locals, forcing resumption of national negotiations to replace contract which expired Feb. 1 (Vol. 14:6). Locals objected to job security & jurisdictional terms of network contract which was submitted by leaders for rank-&-file approval. Further CBS-IBEW talks probably will be delayed 2-3 weeks pending union action on similar agreements between NABET and NBC & ABC. Meanwhile, no new network strike threat has been raised.

Jobs Wanted

Note to TV Station Owners: We have names of several station management sales and program executives presently available for employment—and will furnish them for direct contact by employers addressing bona fide descriptions of job openings to the publisher, *Television Digest*.

UHF Fill-in Technique: Analysis of "multicasting"—use of 2 or more uhf transmitters on different channels to provide a single service—was issued this week by FCC's technical research div., prepared by chief engineer Edward W. Allen and engineers Harry Fine & Jack Damelin. Use of several transmitters to fill in each others' shadows seems to be promising, according to report, which is a "preliminary analysis." System differs from once-proposed "polycasting," in that latter requires transmitters use same channel. Report says indications are that "2 or more uhf transmitters of like power and judiciously placed will provide a better service than a single transmitter of the same total power." Seeking to answer question as to whether system is wasteful of spectrum, researchers suggest that if co-channel spacings are reduced to 50 mi., using 3 channels per station, "a given number of channels would provide 4/3 as many equivalent service areas in a given large area" as would single-transmitter stations spaced 100 mi. apart. Study concludes, however: "In order to take advantage of multicasting and to keep the channel efficiency high in congested areas so as to meet the probable demand for service, uhf-TV receivers must be improved to the point where the FCC table of 'taboos,' involving the additional station assignment limitations, can be greatly reduced or abolished." Document (8 pp.) is labeled "T.R.R. Report 5.1.1," available from Commission—or we'll get you one.

Subliminal Gimmicks: Bill to outlaw subliminal advertising on TV (HR-10802) was introduced Feb. 18 by Rep. Wright (D-Tex.). Proposed ban would be administered by FCC, carry maximum fine of \$5000 and/or 30 days imprisonment for each offense. Explaining his bill, Wright charged subliminal advertising seems "clearly to constitute an invasion of the individual right of privacy" and, in hands of unscrupulous politicians, could be used to "brainwash" the public. However, brains of some 300 broadcasters and ad men attending Western Radio & TV Conference in San Francisco last week end apparently remained unwashed after 30-min. demonstration of subliminal advertising in which they acted as guinea pigs. They viewed film which included repeated subliminal message advertising Coca-Cola, and then were asked to answer series of questions in writing. Guessing what product was advertised, viewers mentioned Chrysler Corp. and Wrigley's gum most frequently, but none mentioned Coca-Cola. Viewing the film made 35 nervous, 23 lethargic, 23 tired; 42 felt like smoking, 26 drinking, 21 eating, 10 chewing; 59 were happy, 39 moody, 4 mad, 2 sad. Total of 74 felt like walking, 13 felt like dancing, 8 like skating, 6 running. Some 32 did say they felt thirsty, in answer to questionnaire, but another 52 just felt anxious, 10 hungry, 7 sexy.

ASCAP-BMI dispute will be aired on both sides of Capitol week of March 10. Because of illness of ASCAP pres. Paul Cunningham, Rep. Roosevelt (D-Cal.) has postponed to March 13 the start of hearings of his Small Business subcommittee on ASCAP policies and whether they are prejudicial to small music publishers (Vol. 14:4). Senate Commerce communications subcommittee under Sen. Pastore (D-R. I.) still has hearings scheduled to begin March 11 on S-2834, introduced by Sen. Smathers (D-Fla.), to divorce broadcasters from music publishing and recording business (Vol. 13:34, 14:4), and subcommittee indicates they will continue at least through March 13. Spokesman for Roosevelt's subcommittee, however, told us that while "the March 13 date is firm," staff will see to it that there is no date & time conflict with Senate hearings.

REAR-SEAT AUTO TV IN GM'S FUTURE: Automobile televisions -- for back-seat viewing, of course -- may not be very far off as optional or standard equipment, judging from pleased public reaction Oldsmobile has been getting to its showings of the prototype models made for it by General Motors' Delco div.

They're operating models that fit into compartment in back of the front seat, are slidable into viewing position. Tube size is 9-in. Regular circuit tubes are used, number undisclosed, along with transistor power supply that converts car's 12-volt DC into 110-volt AC. V aerial is mounted on car roof. Set has concealed extension cords, can be taken out and used also as portable in the home.

Only 9 models have been made thus far for Oldsmobile, as yet the only member of GM family interested, and they've been displayed at Chicago & Detroit auto shows thus far. According to sales mgr. Victor Sutherland, "we've had very, very good reaction." While "purely experimental now," he told us, "it's undoubtedly out there in the future." Next year's car models? we asked him. "Don't know yet," was reply.

Big Delco radio plant at Kokomo, Ind. (B.W. Cooper, gen. mgr.; H.M. Stelzl, sales mgr.) isn't much publicized but it makes all radios going into GM cars, also makes them for Studebaker & Packard. It also makes high-power transistors and has some 750 customers for its products. It's undoubtedly the largest maker of auto radios in the world, accounting for most of EIA weekly figures. Others making auto radios are Motorola, for Chrysler & Ford; Philco, for Chrysler; Bendix, for Ford; Stromberg-Carlson, for Edsel.

Note: Kokomo plant frankly tells us Oldsmobile prototypes will have to be more ruggedly constructed, more carefully shielded from ignition interference -- but these are relatively minor problems. It's recalled that someone several years ago got publicity in connection with a front-seat TV demonstrated to unenthusiastic traffic executives in London. Also, that Emerson in late 1956 brought out 8½-in. 25-lb. portable at \$124 operable on car battery by means of inverter (Vol. 12:25).

TV-Radio Production: TV set production was 98,841 in the week ended Feb. 14 vs. 103,730 preceding week & 116,134 in 1957 week. Year's 6th week brought production to 648,961 vs. 664,493 last year. Radio production was 211,545 (68,874 auto) vs. 224,149 (76,794 auto) in preceding week & 319,386 (135,055 auto) last year. For 6 weeks, production totaled 1,370,457 (491,742 auto) vs. 1,644,712 (783,501 auto).

MAKERS BULLISH ON STEREO PLAYERS: Most of the major TV-radio-hi-fi manufacturers, it now appears, have decided within the last month that they must get into stereophonic player production (Vol. 14:2,4) -- and you can expect stereo disc phonos to be on the market by fall. Command decisions have been made, we're told, despite word from many component suppliers that stereo disc engineering is still developmental and despite lack of firm statements by record makers as to autumn plans. It's in hands of latter, after all, that the fate of stereo phonos really rests.

Plans to rush stereo phonos -- even if only mockups and handmades -- to June distributor showings were freely discussed with us this week by several makers. The thinking about stereo's market impact has advanced sharply (see p. 14) since Jan. markets (Vol. 14:2) when there was general doubt that any maker could get a finished production model ready by fall. Now, fall marketing of a substantial number of brands is not only possible but probable.

Philco for one "is bullish on stereo," pres. James M. Skinner told us. Said another major set maker: "Most high-end hi-fis this fall will be stereo equipped." Still another even talked costs of making a monaural console into a stereo unit.

Later estimated cost of "stereo-izing" present high-end phonos might result in as much as \$100 to \$150 added to retail list. He felt, as did others, gearing for stereo would not be difficult once the suppliers had set the component designs. Equipping for stereo to him means adding stereo cartridge to tone arm, replacing one-channel amplifier with dual-channel counterpart and adding second speaker -- preferably a remote unit 10 feet from "mother" set. Doing this with a \$300-list monaural console phono would make \$425 unit out of it and would prepare any maker for stereo.

Such a unit would also give customer the option of playing a monaural record library, adding stereo discs slowly, and eventually adding a stereo tape deck for complete sound entertainment flexibility.

Others agreed that such a unit would be desirable, would permit easy transition to stereo, and that increase of \$125 at retail was "reasonable." One maker saw no reason why "stereo-izing" should not begin with the \$150 console bracket.

Trade Personals: Carl E. Lantz promoted to Admiral sales v.p., succeeding C. W. Johnson, who requested extended leave of absence; Richard J. Bamberry promoted to gen. sales mgr., succeeding Phil G. Kerr, whom Walter D. Krauter succeeds as mgr. of freezer-air conditioner div.; Harris Hesketh promoted to exec. asst. to Lantz . . . Terry H. Lee appointed by Hoffman Electronics in charge of diversification and new business development, at same time continuing as gen. mgr. of Television Diablo Inc. operating KOVR, Stockton (Ch. 13), recently sold by Hoffman to Gannett interests (Vol. 14:2) until transition is completed; he joins Hoffman April 1 . . . W. Herbert Lamb promoted to v.p.-TV picture tubes, Walter A. Weiss promoted to v.p.-radio tubes, Sylvania electronic tubes div. . . Erwin Schuller named RCA director of finance, international sales . . . A. F. Schmahl promoted to customer relations mgr. for central region, Sylvania electronic systems div. . . Robert J. Cohen, ex-Montgomery Ward, named adv. mgr. of Traveler; post includes additional duties of public relations & merchandising . . . Ted Fullmer promoted to national LP sales mgr. of Mercury Records Corp., replacing John Sippel who joins *Billboard*; Jules Rubenstein succeeds him as branch mgr. of Mercury Record Distributors, San Francisco; Bob Summers, ex-radio KYA, succeeds Rubenstein as promotion mgr. of branch . . . V. R. Martin promoted to gen. sales mgr., Philco Corp. of Canada, Toronto, succeeding Lloyd B. Kiely, recently named gen. mgr. of TV-radio div., Zenith of Canada, Windsor . . . Jay Carver promoted to mgr. of Electro-Voice wood products div., succeeded by Everett Leedom who rejoins company as adv. mgr. . . . Ted Weber promoted to managing editor of *Electrical Merchandising*, succeeding Robert W. Armstrong now public relations director of Whirlpool sales div. . . . Henry E. Hockheimer promoted to mgr. of field engineering dept., Philco govt. & industrial div. . . Donald Allen Fraser, ex-chief of AMF engineering services, named DuMont field service sales mgr.

ELECTRONICS PERSONALS: Edwin Dyke, ex-Collins Radio, named asst. chief engineer of Page Communications Engineers, Washington . . . Paul Petrack promoted to chief engineer for semiconductors, IT&T components div. . . Pat Cicala named v.p., Waltham Precision Instrument Co. . . R. W. Walter promoted to sales mgr., hi-fi components div., Thorens Co. . . Joseph S. Jorzak, ex-Thiokol Chemical v.p., elected pres. of subsidiary National Electronics Labs, Washington, succeeding Frank C. Mallinson, resigned; Raymond T. Moore, NEL v.p., named director & gen. mgr.; Brig. Gen. Clyde K. Rich (USA ret.), named asst. to Moore; Charles Wall promoted to sales mgr.

Top 100 Defense Firms: GE kept its No. 1 position among companies heavily engaged in electronics in new list of 100 top prime defense contractors released by Defense Dept. this week. As in earlier ranking reported in Oct. (Vol. 13:42), GE was fourth among all defense firms in July 1, 1950-June 30, 1957 tabulation in which GM replaced Boeing as biggest contractor among first 10: GM, Boeing, United Aircraft, GE, General Dynamics, North American Aviation, Douglas Aircraft, Lockheed Aircraft, AT&T, Curtiss-Wright. General Dynamics took over the No. 1 spot among the top defense contractors for the short-term period, Jan. 1955-June 1957.

We've consolidated 2 new "top 100" lists in table below to show electronics standings (all dollar figures in millions, dashes after company name indicating it was not among first 100 prime contractors for period):

	July 1950- June 1957		Jan. 1955- June 1957	
	Contracts	Rank	Contracts	Rank
GE	\$5,662.3	4	\$1,928.0	3
General Dynamics	5,093.8	5	2,358.6	1
AT&T	3,096.7	9	1,339.0	6
Sperry Rand	1,708.2	14	430.1	18
Bendix Aviation	1,694.2	15	546.4	16
Westinghouse	1,432.2	18	284.0	25
RCA	1,107.1	21	354.7	22
Hughes Aircraft	1,105.9	22	867.0	8
IBM	1,024.1	23	637.5	14
Avco	819.9	25	297.7	24
Hughes Tool (a)	792.0	26	—	—
Raytheon	771.6	28	397.4	19
IT&T	675.4	35	149.6	40
Philco	586.6	37	182.3	34
Collins Radio	493.5	44	152.0	39
American Boch Arma	373.9	54	189.3	33
General Precision Equipm't	370.5	57	146.5	41
Minneapolis-Honeywell	332.1	60	142.6	43
Hazeltine	240.6	71	—	—
Gilfillan Bros.	240.5	72	87.4	61
Lear	—	—	73.1	72
Mass. Inst. of Technology	236.7	74	104.4	51
Sylvania	234.4	75	—	—
Motorola	224.4	83	71.7	74
Cal. Inst. of Technology	—	—	68.5	81
Standard Coli	—	—	64.3	86
Dynamics Corp. of America	182.5	91	54.3	97
Burroughs	180.1	92	136.9	46
Admiral	168.8	95	—	—

(a) Awards to Hughes Tool Co. include awards to Hughes Aircraft div. prior to Dec. 31, 1953.

Philip D. Reed, GE board chairman since 1939, will not seek reelection at April 23 annual meeting, will continue as chairman of finance committee and director until retirement in Nov. 1959.

Veteran Wireless Operators Assn. holds 33rd annual banquet in New York's Hotel Sheraton-Astor, Feb. 27.

Obituary

Mitchell W. Edwards, 57, ex-sales v.p. of Yancey Co., Atlanta (RCA), died Feb. 17. Surviving are widow, one son, 2 brothers, 2 sisters.

Stereo's Pace Quickens: Target date for first demonstration of stereophonic record-playing equipment (Vol. 14:2, 4) has been advanced. Now, it looks like hi-fi component manufacturers will use Electronic Parts Distributors Show at Chicago's Conrad Hilton May 19-21 as their first showcase for stereo disc equipment. Only 2 weeks ago, the trade felt that manufacturers would have difficulty getting stereo equipment samples to market even as early as July Music Show.

Parts Show demonstrations are now virtually assured inasmuch as big Macy's dept. store this week showed a stereo component rig in action to public visiting its Music Festival. Audio Fidelity stereo discs were played on a Rek-O-Kut turntable using sample Electro-Voice pickup cartridge (Vol. 14:4), Fisher pre-amplifiers and Altec Lansing speakers. Macy's called its showing the first public demonstration. A second will follow quickly: "Cap" Kierulff, pres. of Sound Corp., Los Angeles, announced first west coast demonstration of stereo playing equipment would be staged by him at Los Angeles' Philharmonic Auditorium, March 4-5.

However, we were assured this week that just about any demonstration of stereophonic record playing equipment—whether by component makers or by packaged goods makers to their distributors in June (see p. 12)—would be mere "grandstand playing." Our source was R. J. Kalb, chairman of Steelman Phonograph & Radio Corp., which makes its own packaged phonos and also private brand phonos for Columbia Records, Decca, Capitol, Firestone, et al. It had been reported that Kalb had shown pilot models of finished stereo phonographs to customers as early as last week—scoring a big scoop on an industry working feverishly to unearth component parts for experimentation.

"Sure, we showed samples," he said, "but don't get any idea that we are anywhere near ready to show any salable product to our customers." He said what was shown was experimental, handmade mockup prototype equipment. "How could we be ready to go into production when there are still some record and parts standards left to be set, when there are no cartridges off tools available yet, and when there are still no records [from major labels] on the market?"

The frenzied pace at which experimental stereo work

Reports & comments available: On Magnavox, in mid-Feb. *Gleanings* of Francis I. du Pont & Co., any local office. On Decca Records, in memo by Hardy & Co., 30 Broad St., N. Y. On United Artists, in analysis by Walston & Co., 265 Montgomery St., San Francisco, or local offices. On RCA, in study by A. M. Kidder & Co., 1 Wall St., N. Y., and on RCA and Collins Radio, in briefs by Carl M. Loeb, Rhoades & Co., 42 Wall St., N. Y. On Zenith, in analysis by Joseph Faroll & Co., 29 Broadway, N. Y. On "Outlook for Electronics," in special report by Bache & Co., 36 Wall St., N. Y.

Warner Bros. is latest movie producer to enter phonograph record field, following 20th Century-Fox and Columbia Pictures (Vol. 14:5). James B. Conkling, ex-pres. Columbia Records and chairman of National Academy of Recording Arts & Sciences, heads new recording and distributing subsidiary.

is going on throughout the phono business was characterized thus by Kalb: "You try one sample cartridge with one sample record, tool up, produce, tear it down again and start over with the next samples . . . The best thing to do is put the whole thing on a shelf with a big tag on it saying 'hold for the future.'"

* * * *

Immediate problem at Steelman and elsewhere is necessity of working with prototype component parts. Cartridges off tools—frozen designs—are not yet available in enough quantity to permit finished goods makers to design finished phonos around them. However, there's confidence among finished goods manufacturers that there is still plenty of time—3 months until Parts Show, 4 months until distributor shows, 5 months until Music Show—to get cartridges from suppliers now working on crash program basis so as to get at least handmade prototypes of finished goods to shows.

Certain manufacturers will be in better shape than others. We asked Victor Miller, pres. of V-M Corp., to comment on report that Shure Bros., Evanston, Ill., supplier of cartridges, had developed a stereo cartridge especially for V-M's 1958 Stereo Fidelis combination stereo tape player-monaural phonograph (shown at last July's Music Show). Miller would not confirm report, but neither would he deny that such a unit—already equipped with stereophonic components for playing of tape—could become a stereo phono with insertion of stereo pickup cartridge and reasonable amount of engineering.



Twenty stereo tape player manufacturers are listed in *Billboard* Feb. 17, with prices and features of their lines. Issue also includes glossary of tape and tape player terms digested from larger glossary available free from Minnesota Mining & Mfg. Co., Dept. M7-177, 900 Bush St., St. Paul, Minn.

Stereo will be theme of 3 of 14 technical papers presented at West Coast Convention of Audio Engineering Society in Biltmore Hotel, Los Angeles, Feb. 28 - March 1. Saturday (2nd day) session includes papers on stereo recording & reproduction, stereo in the home, stereophonic broadcasting.

Stereo disc bulletin, available free from Electro-Voice, Buchanan, Mich., manufacturer of stereo disc pick up cartridges, gives latest information on stereo phonography in question and answer form.

Tung-Sol earned \$3,129,916 (\$3.31 per share) on sales of \$64,106,913 in 1957 vs. \$2,909,397 (\$3.83) on \$53,838,822 in 1956. Chatham Electronics div. (power tubes, hydrogen thyratron tubes, etc.) acquired in May (Vol. 13:20) contributed \$339,000 to profits, \$6,280,000 to sales last year.

Sylvania will begin construction in 60-90 days on new 50,000-sq. ft. lab & administrative headquarters building for its Mountain View (Cal.) Lab. Building will cost \$500,000, will house reconnaissance systems lab and increased work of electronic defense lab.

Corning Glass Works will build electronic components plant at Bradford, Pa., employing 450, to produce printed circuit boards of Fotoceram—glass on which patterns may be printed by photography.

Westinghouse ad account for TV-hi-fi-phono with billings estimated at \$2,000,000, goes to Grey Adv. from McCann-Erickson; latter retains other consumer divisions.

RCA Anti-Trust Charge: This week's criminal anti-trust indictment (see p. 1)—as did Justice Dept.'s 1954 civil complaint (Vol. 10:47)—charges RCA with violations of Sec. 1 & 2 of Sherman Anti-Trust Law. Among principal counts:

(1) RCA has "continuing agreement and concert of action" with GE, Westinghouse and AT&T that they shall not compete with RCA in licensing radio patents in U. S.; it has similar agreements with foreign companies; it has agreements with foreign companies not to export radio equipment into each other's home territories.

(2) RCA has continued its domestic and foreign "package license system"; it entered into "understanding" with GE, Westinghouse and AT&T as well as foreign companies not to license any RCA patents under conditions which would injure RCA's licensing business.

(3) "For the purpose of concealing the existence of the violations of law herein alleged," RCA is charged with making "agreements or understandings" with foreign patent pools and agents giving them exclusive control over RCA patents outside U. S.

(4) RCA used patent royalty income (estimated to total \$96,000,000 from 1952 to 1956) "to establish and operate an industrial service laboratory to furnish gratis various services for its licensees and refrained from furnishing such services to others." RCA gave "broad access to its research facilities" to, and exchanged technical know-how with, GE, Westinghouse & AT&T and various foreign manufacturers, "and withheld such access from others."

(5) "RCA assisted Hazeltine to secure licensees under the Hazeltine package licenses to enable Hazeltine to continue in the licensing business as an ostensible competitor of RCA."

Named as co-conspirators, besides GE, Westinghouse and AT&T: Western Electric; IT&T; Hazeltine; North American Philips; Philips of Eindhoven, Netherlands; Electrical & Musical Industries Ltd., English Electric Co., English Electric Valve Co. and Marconi's Wireless Telegraph Co., United Kingdom; Canadian Radio Patents Ltd. and RCA Victor Co., Canada; Telefunken and Siemens & Halske, West Germany; Compagnie Generale de TSF, France; Amalgamated Wireless (Australasia) Ltd., Amalgamated Wireless Valve Co. and Australian Radio Technical Service & Patents Co., Australia.

Day before indictment was filed, RCA Chairman Brig. Gen. David Sarnoff, in address to American Bar Assn. convention in Atlanta, protested that "conspicuous achievement in the competitive economy too often becomes suspect" and recommended creation of Federal "Bureau of Economic Intelligence" empowered to "supply expert and impartial analysis of business practices and their economic effects upon industry and public . . .

"In most of the other areas of human conduct, people can ascertain with assurance whether something they propose to do is within the bounds of legality," he said. "Why not in the anti-trust area? Is not business entitled to be protected by the same rationale which protects the public from ex post facto laws?"

Dividends: Storer Bestg., 45¢ on common, 6¢ on Class "B," both payable March 14 to stockholders of record March 1; Magnavox, 37½¢ March 15 to holders Feb. 25 plus 5¢ stock April 15 to holders March 21; Hazeltine, 35¢ March 14 to holders Feb. 28; Time Inc., 75¢ March 10 to holders Feb. 24; Meredith Pub., 45¢ March 10 to holders Feb. 28; Machlett, 5¢ March 15 to holders March 5.

Financial Reports:

Sylvania earned \$12,655,839 (\$3.48 per share) on record sales of \$342,957,061 last year vs. \$14,835,389 (\$4.10) on \$332,344,159 in 1956, chairman & pres. Don G. Mitchell attributing lower income to higher manufacturing and research & development costs, "unusually intensive price competition in some of our more profitable lines." In letter to stockholders in advance of full annual report, due in March, Mitchell said 1957 sales volume represented 7% gain in Sylvania's commercial business, 9% decrease in defense billings—"due principally to the completion of certain production contracts." Backlog of unfilled defense contracts now is "sharply ahead" of year ago, he added. At same time this week, Sylvania filed SEC registrations for 2 issues of long-term debentures: \$20,000,000 senior debentures due in 1980; \$20,000,000 convertible subordinated debentures due in 1983. Underwriters are Paine, Webber, Jackson & Curtis and Halsey, Stuart & Co.; offerings are tentatively scheduled for March 10, would pay off 3-year bank loans due Jan. 31, 1960, provide additional working capital.

Emerson Radio's first 1958 fiscal quarter ended Feb. 2 looks "much better than last year," when it showed net of \$196,509 (10¢ per share), according to pres. Benjamin Abrams' report to annual meeting Feb. 19. He added only that dividends will resume "as soon as the company is in a position to make money." For fiscal 1957, which ended last Oct. 31, Emerson earned \$138,431 (7¢) on sales of \$54,803,069, which compared with \$84,852 (4¢) on sales of \$73,882,029 in fiscal 1956 and \$2,468,063 (\$1.28) on \$87,383,028 in 1955. Last dividend was 1% stock in Aug. 1956, previous to which quarterly dividends usually were 10¢ plus 5¢ extras.

Storer Broadcasting Co. earned 1957 net of \$6,396,164 (\$2.58 per share) on 2,474,750 shares of common and Class B stock outstanding as of Dec. 31 vs. \$5,517,206 (\$2.23) in 1956, according to report released Feb. 19 preliminary to annual report which will also disclose revenues. The 1957 profit includes net capital gain of \$2,621,496 on sale of stations in Birmingham, Miami & Portland, Ore. during year (Vol. 13:47). Report announced regular quarterly dividend of 45¢ on common and 6¢ on B, totaling \$2,112,772, with \$4,283,392 (66.97% of earnings) retained; in preceding year retained earnings were \$3,645,886 (66.08%).

Merger rumors involving Raytheon sprang up last week on the heels of heavy trading in its stock. Company spokesman reiterated to us what pres. Charles Francis Adams told N. Y. Security Analysts Jan. 20: "There is absolutely nothing to any merger reports at this time." N. Y. *Times* and *Business Week* recently noted institutional investors were heavy buyers of Raytheon common at 1957-58 high of 24¼, raked up year-old report that Martin and Lockheed were interested in absorbing Raytheon. Its projected 1958 earnings are about \$2.50 compared with \$1.70 last year.

GE had record earnings & sales in 1957, preliminary report showing world's biggest electrical manufacturer netted \$247,851,871 (\$2.84 per share) on sales of \$4.335 billion vs. previous peak income of \$213,756,849 (\$2.46) on \$4.09 billion in 1956. Sales of consumer products (TV sets, refrigerators, toasters, etc.) "declined somewhat" last year from 1956, pres. Ralph J. Cordiner said, but "strong gains" were made in defense & heavy capital goods items. Sales of industrial components & materials stayed near 1956 levels.

COMMON STOCK QUOTATIONS

Week Ending Friday, February 21, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
14 1/4	6 1/2	Admiral.....	8 3/4	+ 1/4	376 1/2	270 1/2	IBM 2.40b.....	332 1/2	.....
27	16 1/8	AmBoschl.05g.	19 3/8	- 1/2	37 3/4	25 3/4	IT&T 1.80.....	29 1/2	- 1/8
24 1/4	11 1/2	AmBcstg. Para.1	14 1/4	- 1/4	50 3/4	33	I-T-E CirBl 1/2 d.	37 1/2	- 1/8
43 3/4	29 1/2	AmMach&F 1.60	34 1/2	- 1/4	10 3/4	7 1/4	List Indust 1/4 a.	7 1/2	+ 1/8
179 1/4	160	AT&T 9.....	172	- 1/2	56 1/2	29 1/2	Litton Ind.....	38 3/4	+ 1/8
33 1/4	19 1/2	Amphenol 1.20.	24 1/4	- 1/2	22	11 1/4	Loew's.....	14	- 1
36 1/4	28	Arvin 2.....	28	- 1/4	44	28 1/2	Magnavox 1 1/2 b.	35 3/4	.....
7 3/4	4 1/4	Avco .10g.....	6 1/4	- 3/8	50 1/2	23 1/2	Mallory 1.40b.....	26 3/4	+ 1/8
47 3/4	21	Beckm Inst 1 1/4 f.	21 3/4	.....	131	73 1/2	Mpls. H'll 1.60a	80 1/2	- 3/8
66 3/4	42	Bendix Av 2.40.	48 3/4	+ 3/4	51 3/4	35 3/4	Motorola 1 1/2.....	39 3/4	+ 1/2
52 3/4	27 1/2	Burroughs 1.....	31 3/4	+ 1/2	9 1/2	7	Nat'l Thea 1/2.....	8 3/4	+ 3/8
25 1/2	15 1/4	Clevite 1.15g.....	17	- 1/2	38 3/8	28	Paramount 2.....	35	- 1 1/2
36 1/2	23 1/2	CBS "A" 1b.....	25 1/2	- 1 1/4	18 3/4	11	Phico 3/4 f.....	14 3/4	- 3/8
35 1/2	22 3/4	CBS "B" 1b.....	25	- 1 1/4	40	27	RCA la.....	34	+ 1/8
20 1/2	11 1/2	Col Pictures 3/4t.	13	- 1/4	23 3/4	16 1/2	Raytheon.....	22 3/4	- 1 1/4
54 3/4	25 1/2	Cons Elec. 40a.	28 3/4	- 3/4	8 1/4	4 3/4	Republic Pic.....	6 1/2	+ 1/8
35 1/2	18	Cons Electron.....	21 1/2	+ 1/8	39 1/4	29 1/2	Sang Elec 1.80.	32 3/4	- 1/4
27 1/2	12 1/2	Cor-Dub 1.20.....	14 3/4	- 1/8	18	12 1/2	Seglar .80.....	14 1/2	+ 1/4
106 1/2	57 1/4	Corning Glass 1a	77 1/4	.....	6 1/4	2 3/4	Spartan.....	3	- 1/4
6 3/4	3 1/4	Davega.....	3 3/4	.....	26 1/4	17 3/4	Sperry Rand .80	19 1/2	+ 1/8
47	27 1/2	Daystrom 1.20.....	30 3/4	- 3/8	9 3/4	5 3/4	Standard Coil.....	7 1/2	+ 1/8
19 1/2	13	Decca 1.....	14 1/2	- 1/8	18 1/2	13 3/4	Stanlay-War 1.....	15 3/4	- 1/8
15 1/2	13	Disney .40b.....	17	- 1/2	41 1/2	27 1/4	Stor Warner 2b	30 1/2	- 1/8
115	81 3/4	East Kod .90a.....	101 1/4	+ 2 1/2	29 1/4	18 1/2	StorerBcstg 1.80	23	+ 1
34	21 3/4	Emer Elec 1.60.	32 1/4	- 1/2	46 1/4	29 1/4	Sylvania 2.....	35 1/2	- 1/2
6 3/4	3 3/4	Emerson Radio.....	5 1/4	+ 1/4	31 1/2	15 1/2	Texas Instru.....	28	- 1/8
10 3/4	6 1/2	Gabriel .60.....	8 1/4	+ 1/4	89 1/2	46	ThompProd 1.40	43 1/2	- 3/4
68 3/4	46 3/4	Gen Dynamics 2	60 3/4	- 2	37 1/2	21 3/4	Tung-Sol 1.40b.	23 1/4	- 3/8
72 3/4	52 3/4	Gen Electric 2.....	60 7/8	- 1/8	30 1/4	19 1/2	20thc-Fox 1.60.	25	.....
8 1/2	4	Gen Inst. .15g.....	5 3/8	- 1/8	25 1/2	15	United Art 1.40.	18 1/2	.....
47 1/4	30 1/4	GenPrEquip 2.40	39 3/4	+ 1 1/2	30 3/4	18 1/2	Warn Bros 1.20.	22	+ 1 1/4
30 1/2	22 1/2	General Fire .70	26 1/2	- 1/8	28 1/2	16 1/2	Westingh El 2.....	62	- 1/4
45 1/4	36 1/4	Gen Telephone2	42 3/4	+ 3/4	68 1/2	52 1/2	Westingh El 2.....	62	- 1/4
25 1/4	17 1/4	Hoffman Elec 1.	24 1/2	+ 2 1/4	140	91 1/4	Zenith 3a.....	131	- 2

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3 1/4	+ 1/8	44 1/2	29 3/4	Hazeltine 1.40b.	32 3/4	- 2
52 1/2	19 1/2	Allied Con 1a..	36	- 1/8	3 1/2	2 1/2	Herold R .15g.	2 1/4	- 1/4
21 1/2	11	Amer Electro 1 1/2	13 3/4	- 3/8	6 3/4	3 1/2	Int Resist .20...	4	.....
11 1/4	6 1/2	AssocArtProd..	9 1/4	+ 1/8	8 1/4	4	Lear.....	5 1/2	- 1/8
12 3/4	4 1/2	Audio Dev .05d.	9	- 1/4	1 1/2	3/4	Muntz TV.....	1/2	- 1/16
13 1/2	6 1/4	Belock Inst 1/2 t.	8 1/2	- 3/8	3 1/2	2 1/2	Muter Co. 1/4 t.	3	- 3/8
1 3/4	3/4	C & C TV.....	1 1/2	+ 1/16	9 3/4	5	Nat'l Infilm.....	6	- 1/8
5	2 1/2	Clarostat .15g..	3 3/4	+ 1/8	2 1/2	1	Nat Union El...	1 1/4	.....
6 1/2	3	DuMont Lab.....	3 3/8	- 3/8	11 3/4	3 1/4	Norden-Ketay..	3 1/4	- 1/4
7 1/2	2 1/2	Dynam Am.....	3 3/4	- 1/4	5	3	Oxford El .10d..	3 1/4	- 1/8
12 1/2	8	Electronic Com.	13	+ 1 1/4	20 1/2	10 1/4	Phillips El.....	13 3/4	- 7/8
12 1/2	5 1/2	Electronics Cp..	7 1/4	+ 3/8	12 3/4	6 1/2	Servomech .40.	7 1/4	.....
28 3/4	16	Fairch Cam 1/2 g.	30 3/4	+ 1 1/4	9	3 1/2	Skiatron.....	4	- 1/2
30	8 3/4	General Trans..	19 1/2	- 1/8	8 1/2	2 1/2	Technicolor.....	3 3/4	- 1/8
28 1/2	17	Globe Un 1.20b.	14 1/2	- 1 1/4	5 3/4	3 1/2	Trans-Lux .20g.	4 1/2	.....
4 1/2	2 1/2	Guild Films.....	3	- 1/8					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2	2 1/2	Magna Theatre.....	2 3/4	3 1/4
Aerovox.....	3 1/2	4	Maxxon (W. L.) .05.	6	6 1/2
Airborne Inst.	42	46	Meredith Pub 1.80a.	27 3/4	30
Altec Co .80.....	7 3/4	8 1/2	National Co. (4% stk.)	11 1/4	13
AMP Inc .50.....	16 1/2	18	Oak Mfg. 1.40.....	15 1/2	16 1/2
Ampex.....	40	50	Official Films .10	14 1/2	1 1/4
Baird Atomic.....	10 1/2	12	ORRadio.....	15 1/2	17
Cinarama Inc.....	1 1/2	2	Pacific Mercury TV	5 1/2	5 1/2
Cinarama Prod.....	1 1/2	2 1/2	Packard-Bell .50.	11 1/4	12
Cohu Electronics.....	7 1/2	7 3/4	Panellit.....	5	5 1/2
Collins "A" .35.....	13 1/2	15	Perkin-Elmer.....	25 1/4	27
Collins "B" .35.....	13 1/4	14 3/4	Philips Lamp (14% of par.)	32 1/2	35
Cook Elec. 40d.....	19 1/2	22	Reeves Soundcraft (stock)	2 3/4	3 1/4
Craig Systems.....	4 1/2	5	Selection Inc.....	1 1/2	1 3/4
DuMont Bcstg.....	7	7 1/2	Sprague Electric 1.20.	30 3/4	33
Eltec-McCullough (5% stk.)	27 1/2	29	Taylor Instrument 1.20.	29 1/2	32
Elec Assoc (stk.).....	38 1/2	41	Tele-Broadcasters.....	2 3/4	3 1/4
Erie Resistor .40b.....	7 1/2	8 1/4	Telechrome .30.....	6 1/2	7
Friden Ind. 1.....	40	44	Telecomputing.....	4 1/2	5
Giannini, G. M.....	13 1/2	15	Teleprompter (stock).....	6	7
Granco Products .05.....	1 1/8	1 1/2	Time Inc. 3.75.....	58 1/2	63
Gross Telecasting 1.60.	16	17	Topp Industries (stock).....	9 3/4	9 3/4
Hewlett-Packard.....	22 1/2	24	Tracerlab.....	4 3/4	5 1/2
High Voltage .10g.....	24 1/2	27	Trav-Ler.....	1	1 1/4
Hycor.....	2 1/2	3	United Artists.....	4 1/2	5 1/4
Indiana Steel Products 1.20a.	19 1/4	19 1/2	Varian Associates.....	15 1/4	16 1/2
Jerrold.....	1 1/2	2 1/2	Victoreen Inst.....	4 1/2	5
Ling Industries.....	2	2 1/4	Webcor .25g.....	13 3/4	14
Leeds & Northrup .60b.	19 1/2	22	Wells-Gardner.....	5 1/4	6 1/2
Machlett Labs .25g.....	14	15	WJR Goodwill Station .50d.	11 1/4	12 1/4

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. c Declared or paid in 1957, plus stock dividend. d Declared or paid so far this year. e Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. f Paid last year. g Declared or paid after stock dividend or split-up. h Declared or paid this year, an accumulative issue with dividends in arrears. i Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. j Declared or paid in 1958, plus stock dividend. k Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. l Liquidating dividend.

Networks Change Topkicks: ABC elected Oliver E. Treyz pres. of the ABC-TV network this week, promoted from v.p. in charge of TV network, his job paralleling that of Robert E. Eastman, pres. in charge of the American Broadcasting Co. Radio Network Inc. It was just 10 years ago that the 40-year-old Treyz joined ABC as a "presentations writer," rising to director of ABC Radio in 1954, quitting in 1955 to found and become pres. of new Television Bureau of Advertising, returning to ABC-TV as v.p. in Oct. 1956.

This week, too, NBC announced changes in its setup that will lead eventually to similar separations of TV and radio operations—naming 50-year-old P. A. (Buddy) Sugg, exec. v.p. of *Daily Oklahoman's* WKY Television System Inc. as head of NBC-owned stations and of Spot Sales Div. as of April 1, reporting directly to pres. Robert W. Sarnoff. He's slated to be elected an NBC v.p. for the 2 jobs at March 7 board meeting, presumably also will be elected to one of the 2 board vacancies created by the recent death of v.p. Emanuel Sacks and the April 1 promotion of v.p. Charles R. Denny to RCA v.p. (Vol. 14:7).

Sugg takes over Denny's chief administrative jobs, except that California National Productions Inc. and NBC International henceforth will report to J. M. Clifford, exec. v.p. for administration; and TV facilities, with Charles Colledge as v.p., henceforth reports to Robert E. Kintner, whose title now is exec. v.p. for TV network. Tom McFadden, heretofore v.p. in charge of owned stations and spot sales, will report to Sugg, absorbing duties of John H. Reber, director, spot sales, who has resigned.

The popular "Buddy" Sugg, long active in industry affairs, turns over his post as exec. v.p. & mgr. of WTVT, Tampa (Ch. 13) to Eugene B. Dodson, who leaves general managership of WSFA-TV, Montgomery (Ch. 12) which he in turn will relinquish to his sales mgr., Carter Hardwick. Third TV outlet of the *Oklahoman* group, WKY-TV, Oklahoma City (Ch. 4), and radio WKY continue under management of Raymond W. Welpott, who succeeded Sugg when he went to Tampa.

Sugg has been directing head of all 3 stations, having founded the Oklahoma City TV in 1949 for the Gaylords and having engineered the acquisitions of the Montgomery & Tampa outlets.

New job marks return of Sugg to NBC employ, for he started with old KPO, San Francisco, as a control engineer in 1929, qualifying with his ship's operator ticket. He rose to NBC supervisor of engineering before taking leave in 1940 to rejoin Navy as a lieutenant j.g. He was on the *U.S.S. California* in Pearl Harbor when it was sunk by the Japanese, later served under Admirals Kimmel, Pye and Nimitz, successively, first establishing the Pacific Fleet Radar School at Pearl Harbor, then being assigned to Bureau of Aeronautics at MIT, then to staff of chief of Naval Air Technical Command. Later he was named commanding officer, Naval Air Technical Training School, Corpus Christi (airborne radar). He was released from the service in 1945 with rank of captain, 12 ribbons.

"Do you own a TV set?" may be dropped from the 1960 census because, Census Bureau says, TV saturation may be close to 100% by that time. Radio and refrigerator ownership are almost certain to be dropped, replaced by air conditioners and home freezers.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

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SUMMARY-INDEX OF THE WEEK'S NEWS — March 1, 1958

DRAMATIC MACK CASE holds threat of severe reaction —with FCC out to assert "independence," isolation from industry, etc. (pp. 1 & 8-9).

NETWORK STUDY HEARINGS, starting next week, given top priority by FCC. Networks, leading off rebuttal, may find change in Commission climate (p. 2).

FCC POSTPONES TOLL-TV processing until 30 days after Congress quits, in compromise action seen as rejecting dictation by Congress committees (p. 3).

SYMPOSIUM ON SPOT discloses leading national reps bullish on current conditions and prospects for rest of year; lists of top TV users (pp. 3-5).

OAKLAND, CAL. & LOCK HAVEN, PA. put new stations on air, bringing total to 534. Ingrim-Pabst group's KTVU is 6th station in San Francisco bay area (p. 7).

TELEMETER SEEKS TO DROP wired pay-TV franchise for Los Angeles rather than face public referendum; Skiatron indicates it will follow suit (p. 9).

EDITORIALIZING ON THE AIR: Experts agree basic ingredients are heavy research, knowledge of issues involved, willingness to present other side (p. 10).

EXPERIMENTAL VHF IN MIAMI denied to WITV (Ch. 20), FCC seeing little contribution to "development of the TV art." Other allocations actions (p. 10).

Manufacturing-Distribution

WESTINGHOUSE SEEKS 10% of color sales as RCA continues carrying ball, plans new line soon. Other set makers apathetic, though hypo needed (p. 11).

HI-FI SURGE BOOSTS 1957 SALES of phono makers to new records. EIA statistics show substantial increases in all phonograph-hi-fi brackets (p. 11).

GE ABANDONS FAIR TRADE as unenforceable, too costly; price cutting sweeps retail trade (p. 13).

RCA-ZENITH SETTLEMENT footnote: RCA says its share of payment totals \$4,800,000. Patent arbitration could cut RCA's net payment to \$1,800,000 (p. 14).

RCA GROSS AGAIN UP, tops \$1 billion, but net profit down 3.7%. Commercial manufacturing accounts for 50%, Govt. work 22.7%. NBC sales \$292,212,000 (p. 15).

ZENITH ACHIEVES HIGHEST profits and second highest gross in 1957 in face of industry recession. Philco pulls up gross and net (p. 15).

THE MACK STORY—NOW THE EPILOGUE: The strange and pitiable case of "Richie" Mack, whose flagrant indiscretions in the matters of money and political pressures were pointed up this week by House subcommittee investigating alleged wrongdoing at the FCC and other independent Federal agencies, is about to be closed. He will resign, more than likely, though he may be removed if he insists on keeping the job (for details of week's developments, see pp. 8-9).

The TV-radio industry, indeed all Federally regulated industries, would do well to contemplate possible repercussions of the much-publicized Mack case and the rest of the probings on Capitol Hill. Here are some of them, as we see things now:

(1) There's danger that a jittery FCC, its actions under continuous spotlight henceforth, will react with a strong backlash effort to demonstrate the independence and judiciousness so sadly lacking in the Mack case. The Commission may very well be disposed now to take harsh measures with the industries it regulates. This could come in the network (Barrow) case, in which critical hearings begin next week (see p. 2). And some even see a suggestion of "independence" and a semblance of defiance of Congress itself in Commission's action on pay TV this week (see p. 3).

(2) Makeup of the Commission is in for changes, perhaps substantial. With Mack out, the Administration that appointed him as a Fla. Democrat will presumably exert extraordinary caution to bring in a stable citizen to replace him -- to avoid the political hackery that has marked so many past choices. There's published talk of Doerfer being demoted from chairmanship, Ford upgraded to replace him; so far,

the Administration seems delighted with its choice of Ford, a govt. career man with an impeccable record both as a top FCC attorney and Dept. of Justice official.

There's even talk of a "ripper bill" -- though it's not given much credence -- which might abolish the FCC, creating a new board with an entirely new slate of members. That's unlikely, though, and it must not be forgotten that the FCC inquiry is supposed to be the first of a multi-pronged probe into other agencies as well.

(3) Easy approachability of commissioners may have had its day, a consummation devoutly to be wished by most practitioners at the FCC bar (see "Do You Know That . . ." column, p. 16). At all events, they're tight-lipped nowadays. And the flurry of "ethics" bills in Congress may end up by insulating commissioners and industry to a fault. Some provide severe criminal penalties for "influence" attempts, presumably embracing also Senators and Congressmen.

(4) Harris subcommittee, having tasted blood, may be out for more. Other members of the FCC, perhaps also ex-Chairman McConnaughey, "will be given opportunity to testify in the Ch. 10 case," according to Rep. Harris. Subcommittee may also decide to delve into other contested cases -- with a predilection on its part, and on the part of a suspicious press, to magnify every action of every commissioner into something "improper" or worse.

Quest for counsel to succeed the bumbling Prof. Schwartz continues, but Rep. Harris says there's no one in prospect at the moment. General view is that Schwartz "shot his bolt" on the Mack case, had very little else excepting trivia relating to expense accounts to show for the operations of his staff since last summer.

NEXT CRISIS--HEARINGS ON NETWORK STUDY: FCC is giving top priority to all-important network study hearings which get under way Mon., March 3, in Hearing Room B, Interstate Commerce Commission Bldg. Findings could crucially affect business practices throughout the telecasting industry -- and network and stations alike are concerned.

So important does Commission consider Barrow staff report hearings that it has slated 5 full days of them -- Mon. morning thru Fri. afternoon -- even skipping its regular meeting. After first week, intention is to run them as continuously as possible, taking time out only for other business of utmost importance.

First week's sessions will be devoted exclusively to network testimony -- ABC going on first with 4 witnesses, then CBS with 4, then NBC with 6. All the network presidents will testify, plus other topkicks. While no specific time limit has been allotted to them, FCC hopes to finish with networks in week or 10 days.

Total of about 65 witnesses, representing 34 organizations, will present testimony. After networks come the group-owned stations, to be followed by affiliate committees, spot sales reps and individual stations. Order of appearances remains unchanged from that listed in Vol. 14:6, p. 8, except that NTA Film Network will testify immediately after the 3 major networks. Commission sources won't hazard estimate as to how long hearings will take, but guess would be 15-30 hearing days.

Heavy attack on most recommendations of Barrow report is expected from virtually all witnesses except pres. Richard Moore of Los Angeles' Independent KTTV -- who looms as single witness who can be classified as openly "hostile" to networks.

Networks have devoted large amount of corporate time and energy to preparation of arguments against the Barrow recommendations, with particular emphasis on knocking down arguments for curbs on multiple ownership and abolition of option time -- which they find the most odious proposals in report.

Accident of the timing of FCC hearings -- coming on heels of charges of TV industry "influence" on Commission (see p. 1) -- won't make job of rebutting Barrow Report any easier. Certainly there's some indication that commissioners can't be expected to lean over backwards in favor of status quo. Hearings will be watched by Congress, where some members are anxious to curb network power.

Procedurally, here's how hearings will operate: Each witness will first present his direct, prepared testimony. Then he'll be questioned by special FCC

attorneys detailed to hearing from Broadcast Bureau -- Robert J. Rawson, chief of hearing branch, and Herbert M. Schulkind, asst. chief of rules & standards div. The commissioners, sitting en banc, will also ask questions.

This isn't rule-making hearing -- but on basis of Barrow Report and facts brought out at hearing, Commission is expected to propose rules and legislation. Any proposed rules will, of course, be subject to regular rule-making procedure.

FCC POSTPONES SUBSCRIPTION-TV TESTS: Commission formally agreed this week to hold up processing of applications for toll-TV -- but, by implication at least, it rejected the idea that House Commerce Committee has power to dictate to it.

In its "Second Report" on subscription TV, adopted Feb. 26, FCC announced that no applications for trial fee-TV operations will be processed until 30 days after adjournment of 85th Congress. House Commerce Committee's "sense-of-the-committee" resolution, adopted Feb. 6 (Vol. 14:6), had specifically requested FCC not to make fee-TV grants "unless and until" Communications Act is amended "so as to specifically empower the Commission to grant such authorizations."

In refusing to go this far, FCC plainly was attempting to avoid setting a precedent whereby its powers can be curbed or actions prescribed by means other than amending Communications Act, the Commission's Congressional charter.

House Committee resolution was one of 3 reasons cited by Commission for its action. Others were Senate Commerce Committee's endorsement of a resolution last week (Vol. 14:8) and pendency of anti-toll bills and hearings in both houses.

"In these circumstances, until Congress acts on the the pending bills or it becomes reasonably evident that no action may be expected on them, we consider it appropriate to maintain the status quo," said FCC report. "Prohibitory legislation would, of course, moot this entire proceeding."

Report (FCC 58-182, Doc. 11279) was approved unanimously by the 5 commissioners present at meeting, Mack & Ford being absent.

[For other reports on subscription TV, see story on p. 9.]

HOW'S SPOT DOING? NOT BADLY, SAY REPS: You will detect a note of caution, and there is a pardonable inclination to ballyhoo the medium, in the symposium on how spot TV is faring -- published on pp. 4 & 5. While the better-placed stations are doing quite well, generally, it's an open secret that network business is "soft" and there's no blinking the fact that it's fighting to fill up vacancies.

But national spot, which accounts for nearly one-third of TV's dollar volume and which enjoyed a substantial increase in 1957 (see McCann-Erickson-Printers' Ink reports, Vol. 14:5), is too often overlooked in "sizeups" of advertising business. Witness the much-discussed article in the Feb. 19 Wall Street Journal (Vol. 14:8).

Because spot represents as much as half the revenues of many TV stations, and because current downbeat talk about advertising in general is inclined to concern itself mainly with network when it comes to discussing TV, we asked the heads of 19 representative station rep firms to comment on current conditions and trends in spot and on what they see ahead for the rest of 1958.

Fourteen replied, including most of the important ones; 2 big ones said they preferred to avoid quotes and predictions. But the 12 who had something to say were quite positive, for the most part, about the current stability of spot. Their estimates for rest of year ranged from "looks great" to 5% or 10% better than last year.

Most agreed the day of "hard sell" is here, not only for themselves but for users of the spot medium -- and some couldn't resist beating the drums for it. Four indicated their corporate confidence in future by reporting plans to expand office space and/or add new offices and personnel. Only one comment might be called downbeat -- but you'll note that his list of TV stations isn't a very imposing one.

Yet there's no blinking at feeling of unease and uncertainty underlying some of the comments, generally a reflection of the business community's unsureness about

the course of business as a whole. And the TV-radio media could be as susceptible to "recession" or "depression" conditions as other businesses. To everyone in the business of selling or buying time, we recommend careful reading of comments below.

Note: Television Bureau of Advertising, whose job is to promote TV medium, network as well as spot, this week issued big brochure on TV viewing trends with lists of top network and spot advertisers of last 2 years. It estimates record high of \$448,734,000 spent on spot TV last year vs. \$397,606,000 in 1956, whereas McCann-Erickson-Printers' Ink puts figures at \$367,000,000 vs. \$325,000,000. TvB listings of top 10 network and top 10 spot TV users will be found on opposite page.

Symposium on Spot TV—What the Reps Think

Comments in Reply to Television Digest's Questions About Current Trends and Prospects for Rest of 1958

Blair-TV (Edward P. Shurick, exec. v.p.): "Just finished our office managers' meeting [and we are] optimistic because tightening business conditions only emphasize the values that are spot TV . . . advertising's most successful means to move merchandise. But we must work harder [because business] is not going to come in over the transom. One way we're approaching the problem is to make creative calls with Blair-TV's Market Sense presentation—selling basics of spot TV at a quota of 3 per week per man. Our Test Market Plan is designed to attract new users to spot TV. Now we have introduced 'Purse-suasion' saturation in daytime to exploit TVs' special sales advantages with housewives . . . [There is a] golden opportunity for spot TV to corner more of advertising dollar if basic advantages of the medium are told not only through TV but through spot sales organizations . . . If we do this, we should enjoy a 10% increase during 1958."

The Bolling Co. (George W. Bolling, pres.): "Spot looks great for '58! The commitments for time and talent made in the third quarter of 1957 on the big institutional type campaigns are expiring. Some of the large budgets will be converted into 'hard sell' spot campaigns as more and more advertisers need additional support in soft or sagging markets. Already in '58 we have seen a few transitions from institutional advertising to dynamic spot advertising, and we confidently expect this trend will continue . . . We can expect more and more short flights of saturation campaigns and an increase in the number of advertisers buying valuable franchise positions."

CBS-TV Spot Sales (John A. Schneider, gen. mgr.): "I see a year of unmatched opportunity for the advertisers in 1958. With his sales costs rising and with the profit squeeze we are all experiencing, he has the opportunity for effective market-by-market control, efficient media impression costs, plus TV's unique sight, sound and motion. But spot TV will grow and prosper in direct relation to how well and how relentlessly we tell this story. Its ability to provide precisely the service that our economy needs at this time should result in our having the biggest 6 months in our history in the last half of 1958—but, again, only if we aggressively sell our unique values during the present 6 months. We are in control of our own fate."

Forjoe & Co. (Joseph Bloom, pres.): "In 1958, national TV spot will be reappraised and time will be purchased on a highly selective, specific market-station basis. The general wave of enthusiasm for and acceptance of the TV medium by the public, advertisers and agencies will continue to subside. The TV industry will try to find new and acceptable program products and formats. Concurrently, the overall media balance will be restored as newspapers and radio continue to expand their volume. In

1958, TV will have to hustle to maintain its spectacular gains. The return of 'hard sell' will probably be required."

Harrington, Righter & Parsons Inc. (John E. Harrington Jr.): "Any prognosticating at this time [is] most difficult, [for] even in normal times the very volatility of the spot TV medium gives one pause to go out on any kind of a limb. However, in our opinion, the national spot TV medium is in a healthy condition. The first quarter of 1958 is stronger than a year ago. Also, the placements of business for the last 2 months lead one to believe that the second quarter should continue at the same pace. So far as the last 6 months are concerned, there are just too many imponderables for solid prediction. All advertising media are off from 1957 at the present time and the networks have much time to sell. But we believe national spot will fill a great need for advertisers who are forced to economize . . . the sophisticated advertiser understands its flexibility, economy and efficiency. Also, the budget commitment for all practical purposes is but 2 weeks. National spot TV is based on selling branded merchandise [and] has rarely enjoyed any institutional business, whereas the networks have carried large amounts. Usually, when cuts are made, this is the first thing to get the ax."

George P. Hollingbery Co. (George P. Hollingbery, pres.): "Spot TV is a quick barometer to American business. When national spot business is good, American business is moving ahead with confidence. Ninety days ago the national advertisers started to trim their market lists—and what schedules there were, were short in duration. Jan. business was a result of this lack of confidence in the future. In the next 90 days, we believe that confidence in the future will be restored and the spot barometer will move back to where it was in the first part of 1957."

H-R Television Inc. (Frank M. Headley, pres.): "Prospects for TV spot in the remaining portion of 1958 are excellent. Although admittedly they have not shown a decided increase during the past month or two, I am confident there will be a strong rally in the second half of the year. The balance of the first half will probably continue to run below last year's figures, but a strong resurgence in the latter half of this year will more than compensate for the cautious beginning. It's my conviction that spot TV in 1958 will be up 10% over 1957—but everyone will have to go out and sell hard. Good salesmanship has always been important, but never has it been so vital as at present. The brighter economic situation, coupled with the increased number of stations on the air, has made spot sales far more competitive than ever before. TV has entered the era of salesmanship."

NBC Spot Sales: "We're extremely optimistic about spot business for 1958. Indications are that our dollar

volume for the first quarter will be 12-15% ahead of the first quarter last year, and we expect the upward trend to continue at least through June. Many of our major advertisers (like Lever and P&G) are coming in with heavy schedules for new as well as familiar brands. Cigarettes and gasoline and other accounts are also stepping up their use of spot TV in our markets. If general business conditions improve in the latter half of the year, we can look forward to the best year in the history of NBC Spot Sales."

John E. Pearson Co. (John E. Pearson, pres.): "It would require a real crystal ball to predict accurately which way the advertising ball will bounce during 1958. What with the various agency account shifts, the sponsor changes at the network level, spot business is bound to go through a period of uneasiness. Just what the end result will be any month, any period, is anyone's guess. [But] 1957 was a fairly good year for radio spot while TV spot suffered from new competition in certain markets and as a result profits were down for some stations who heretofore had enjoyed a boom. The recession has affected advertising plans for 1958 and, as the cliché goes, things will probably get worse before they get better . . . In the representative field, some of the bigger firms who represent big-market, big-power stations are learning that they have to go out and start selling for a change instead of peddling adjacencies and so-called 'reputation.' In many major markets, some so-called 'upstart' independents are whipping the socks off the network affiliates, rating-wise and dollar-wise . . ."

Edward Petry & Co. (Ernest Lee Jahncke Jr., v.p. & asst. to pres.): "Following last fall's dip, the business booked by [us] in the last 2 months is up over the same 2-month period a year ago. Since spot TV has come to be looked upon more and more as a *basic* advertising medium, it is not surprising to find that in this era of 'hard sell' national advertisers are placing increasing reliance upon it. Just as advertisers must sell harder to move their products, we know it will require harder selling to obtain spot business in 1958. Because of spot TV's very flexibility, which is one of its finest qualities, it would be foolish to try to predict the course of business for the full 12 months. On the record to date, however, it is reasonable to state that spot TV is off to an even better start in 1958 than in 1957."

Paul H. Raymer Co. (Paul H. Raymer, pres.): "Good salesmen are natural born optimists or they wouldn't be good salesmen. A man of considerable stature in our business called on me the other day and said that he had recently consulted the 16 representatives who are members of TvB. Their consensus about the immediate future of national spot TV business was that it might increase about 5%. I personally am more optimistic than that, but the report is significant. There is no question whatever about the tremendous future growth of our dynamic medium. However, certain adjustments are being made that must be completed before there is a substantial advance. In the long run, national spot will far exceed national network business."

Venard, Rintoul & McConnell Inc. (Lloyd George Venard): "We are expressing our opinion of the 1958 prospects for spot TV [by] tripling the size of our space on April 1 and adding a number of employees. This investment is definite dollar expression of the fact that we expect spot business to continue its expansion. On the other hand . . . we believe 1958 will be a year for courage, for hard selling with modern tools, and for accomplishments."

TELEVISION BUREAU of Advertising brochure out this week classifies 293 users of network TV during 1957 as against 321 in 1956—plus 4154 users of spot TV in 1957 vs. 4399 in 1956. But 1287 spot users spent more than \$20,000 in 1957 vs. 1206 in 1956; and 2867 spot users spent under \$20,000 vs. 3191 in 1956—indicating the increased amount spent on the medium. Top 10 network and spot TV advertisers and their 1957-56 rankings and expenditures:

Top 10 Network TV Advertisers

	Rank	1957	Rank	1956
Procter & Gamble	1	\$47,046,000	1	\$43,457,300
Colgate-Palmolive	2	19,375,700	2	19,880,300
Chrysler Corp.	3	18,915,800	4	18,198,300
Amer. Home Products	4	18,535,800	5	15,758,000
Lever Brothers	5	16,297,300	9	11,322,600
Gillette Co.	6	15,790,800	7	15,257,900
General Foods	7	15,550,600	6	15,688,789
Reynolds Tobacco	8	13,201,600	8	11,424,400
Ford Motor Co.	9	13,023,200	10	10,316,421
General Motors	10	12,733,400	3	19,086,600

Top 10 Spot TV Advertisers

	Rank	1957	Rank	1956
Procter & Gamble	1	\$25,916,800	1	\$17,522,500
Brown & Williamson	2	12,988,900	2	11,288,600
Continental Baking Co.	3	10,190,100	8	5,732,500
Sterling Drug Inc.	4	8,635,890	4	8,223,300
General Food Corp.	5	8,447,900	3	9,415,900
Colgate-Palmolive Co.	6	7,739,100	6	7,314,700
Lever Brothers Co.	7	7,643,000	—	—
Carter Products Inc.	8	6,995,300	—	—
Miles Laboratories Inc.	9	6,392,600	10	5,354,700
National Biscuit Co.	10	5,822,300	9	5,536,500
Warner-Lambert Co.	—	—	5	7,369,400
Philip Morris Co.	—	—	7	5,820,400

Rate increases: WBNS-TV, Columbus, March 1 raises hour from \$825 to \$1200, min. remaining \$200. WTIC-TV, Hartford, Feb. 1 added Class AA hour (7:30-10 p.m. Mon-Sat., 6-10 p.m. Sun.) at \$1000, min. at \$170, Class A hour remaining \$800. WBRZ, Baton Rouge, Feb. 1 raised hour from \$400 to \$475, min. \$90 to \$110. WCTV, Thomasville, Ga.-Tallahassee, Fla., Feb. 1 raised hour \$350 to \$400, min. \$100 to \$125. KGLO-TV, Mason City, Feb. 1, hour \$350 to \$400, min. \$70 to \$80. KVAL-TV, Eugene, Jan. 15, hour \$300 to \$360, min. \$60 to \$86; combination hour with KPIC, Roseburg, from \$382.50 to \$434, min. \$76.50 to \$99. KULA-TV, Honolulu, Jan. 15, hour \$250 to \$300, min. \$50 to \$65. WBBM-TV, Chicago, Jan. 1 raised base hour from \$4100 to \$4500, 20 sec. \$875 to \$900. KPTV, Portland, Ore., Feb. 1, hour \$700 to \$800, min. \$180 to \$225. KGEO-TV, Enid-Oklahoma City, Feb. 5, hour \$600 to \$800, min. \$120 to \$200. KVOS-TV, Bellingham, Wash., April 1, hour \$550 to \$650, min. \$137.50 to \$162.50. WTRI, Albany, March 1, hour \$400 to \$500, min. \$75 to \$100. KDAL-TV, Duluth, March 1, hour \$450 to \$500, min. \$101.25 to \$110. WDSM-TV, Duluth, March 1, hour \$450 to \$500, min. \$101.25 to \$110. KHQA-TV, Hannibal, Mo.-Quincy, Ill., Feb. 1, hour \$350 to \$400, min. \$70 to \$80. KRBC-TV, Abilene, Feb. 1, hour \$225 to \$247.50, min. \$40 to \$48. Spot increases: KFDX-TV, Wichita Falls, min. from \$70 to \$80. WPTA, Ft. Wayne, min. \$72 to \$80.

Crosley Broadcasting Corp. reports, in 1957 Avco financial report released this week to stockholders but previously digested in these columns (Vol. 14:4), that it enjoyed higher sales but slightly lower profit than in 1956, contributing factor being expenses incurred in starting WLWI, Indianapolis (Ch. 13). Current report by Peter Lasker, Crosley stations' sales v.p., states Dec. 1957 and Jan. 1958 sales were up 15.7% from same preceding period.

Anti-trust inquiry into talent agencies Music Corp. of America and Wm. Morris Agency has been started by Justice Dept., N. Y. *Herald-Tribune* reported Feb. 26. Both agencies said they hadn't heard about it and Justice officials declined comment.

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with **ELECTRONICS REPORTS**
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inon, N. D., elected pres. of Theodore Roosevelt National Memorial Park & Bad Lands Assn. . . . Samuel B. Sullivan, ex-DeKalb, Ill. schools supt., joins Educational TV & Radio Center, Ann Arbor, as TV consultant . . . Van Beuren W. DeVries, mgr. of WGR-TV, Buffalo, elected a v.p. of Transcontinent TV Corp., which also owns WROC-TV, Rochester and 50% of WSVA-TV & WSVA, Harrisonburg, Va.; Eugene R. Kirschenstein promoted to business mgr. of its WGR-TV (Ch. 2) & WGR, Buffalo . . . Mrs. Ronnie (Laskey) Barth promoted to station traffic director, WRCV-TV, Philadelphia.

Personal Notes: Franklin C. Snyder, recently with McCann-Erickson and ex-gen. mgr. of WXEL, Cleveland (now WJW-TV) named gen. mgr. of upcoming WTAE, Pittsburgh (Ch. 4) . . . Edward Petry returned to his desk this week after second operation; he was released from hospital last week . . . John J. Brennan, business mgr. of NBC o-&o stations and spot sales, shifts to Cal. National Productions as business affairs director . . . Don Perris, asst. to gen. mgr. of WEWS, Cleveland, named asst. gen. mgr. . . . Richard W. Holloway, recently gen. mgr. of WNIL, Niles, Mich. and ex-WSBT-TV, South Bend, joins WDEF-TV, Chattanooga, as national sales mgr. . . . Ben B. Baylor Jr., from WNHC-TV & WNHC, New Haven-Hartford, promoted to sales project director of all Triang stations, headquartering in N. Y. . . . Ned Smith promoted from sales to gen. mgr. of KOVR, Stockton, effective April 1, succeeding Terry Lee, joining Hoffman Electronics (Vol. 14:8); Glenn Kelley named asst. gen. mgr. . . . Joe Costantino promoted to public relations director, KEYT, Santa Barbara; Wm. F. Mitchell to production mgr. . . . Mortimer B. Coley, ex-rep Burn-Smith, joins N. Y. sales staff of rep John E. Pearson, replacing F. A. Wurster, now San Francisco office mgr. . . . Jimmie Isaacs promoted to v.p. & network operations director of W. D. (Dub) Rogers' Tex. Telecasting Inc. (KDUB-TV & KDUB, Lubbock; KPAR-TV, Sweetwater-Abilene; KEDY-TV, Big Spring) in exec. realignment; E. A. (Buzz) Hassett named gen. sales mgr. of all stations; John Kreiger, operations director of KDUB-TV . . . George Guyan promoted to local sales mgr. of KVAR, Phoenix . . . A. Hartwell Campbell, gen. mgr. of WNCT, Greenville, N. C., last week was chosen "Tar Heel of the Week" by *Raleigh News & Observer* . . . Orville F. Burda, gen. mgr. of KDIX-TV, Dick-

ADVERTISING NOTES: John M. Tyson Jr., ex-Leo Burnett, named marketing director & plans board member of McCann-Erickson, Chicago . . . Arthur White, ex-Reddi Whip, elected v.p. of C. J. LaRoche in charge of Hollywood office . . . Donald Stuart Hillman, ex-N. W. Ayer, joins Emil Mogul, N. Y., as exec. TV-radio producer, succeeding Henry Colman, resigned . . . G. Maxwell Ule, senior v.p. of Kenyon & Eckhardt, named chairman of Advertising Research Foundation's reorganized technical committee . . . Wm. C. Pank, ex-Calkins & Holden, joins Reach, McClinton as v.p. & plans board member; Joseph Allentuck, ex-Buchanan, named comptroller . . . Wm. H. Aaron and Robert S. Cole elected v.p.'s; George H. Hartman Jr., secy-treas., of George H. Hartman, Chicago . . . Erwin D. Swann, ex-Schenley, joins L. H. Hartman, N. Y., as exec. v.p. . . . Joe Spery, from Minneapolis office, named TV-radio production mgr., Campbell-Mithun, N. Y. . . . Myers B. Cather, v.p. of Grant Adv., Chicago, named mgr. of Detroit office, succeeding exec. v.p. L. R. McIntosh, who will devote full time to agency supervision.

inon, N. D., elected pres. of Theodore Roosevelt National Memorial Park & Bad Lands Assn. . . . Samuel B. Sullivan, ex-DeKalb, Ill. schools supt., joins Educational TV & Radio Center, Ann Arbor, as TV consultant . . . Van Beuren W. DeVries, mgr. of WGR-TV, Buffalo, elected a v.p. of Transcontinent TV Corp., which also owns WROC-TV, Rochester and 50% of WSVA-TV & WSVA, Harrisonburg, Va.; Eugene R. Kirschenstein promoted to business mgr. of its WGR-TV (Ch. 2) & WGR, Buffalo . . . Mrs. Ronnie (Laskey) Barth promoted to station traffic director, WRCV-TV, Philadelphia.

Shake-up at MBS: Mutual board announced this week that chairman Armand Hammer has taken over post of pres. from Paul Roberts, George Vogel replacing Bertram J. Hauser as exec. v.p. Thus 2 of the Hammer-Roberts-Hauser triumvirate which took over network when it was sold last Aug. by RKO Teleradio (Vol. 13:30,32) are now out. Action comes just 4 weeks after Roberts announced MBS had shown profit on its operations since last Sept. (Vol. 14:5). Vogel, an industry veteran, lately consultant to Colgate-Palmolive Co., was elected to MBS board, along with MBS Washington v.p. Robert F. Hurleigh. Los Angeles attorney Frank P. Barton continues as secy., and was reelected to board along with Hammer, who is also pres. of Occidental Petroleum Co., Los Angeles. Others reelected: H. Roy Roberts (no relation), Ojai, Cal. oilman; L. M. Harper, pres. of Los Angeles construction firm; Arthur Brown, pres. of Starrett Corp., N. Y.

Obituary

Alden H. Kenyon, 63, senior v.p. of Peck Adv., N. Y., died in N. Y. Feb. 25. He was a v.p. of Biow when that agency dissolved in 1956, earlier had been pres. of W. Earl Bothwell and James A. Coveney. Surviving are widow, daughter.

Edmund S. Lennon, 59, sales v.p. of WATV, Newark-N. Y. (Ch. 13), also in charge of sales of radio WAAT, Newark, died Feb. 26 at his home in Summit, N. J. Surviving are his widow, 5 sons, 2 daughters.

Harry Cohn, 66, pres. of Columbia Pictures whose subsidiary Screen Gems is biggest TV film distributor, died Feb. 27 of coronary occlusion in Phoenix. Nephew Ralph M. Cohn is v.p. & gen. mgr. of Screen Gems.

Annual copyrighted agency report by Feb. 24 *Advertising Age* lists 1957 billings of 430 firms. Top 10 among 32 billing more than \$25,000,000 each are ranked this way (in millions): J. Walter Thompson, \$210 vs. \$194.5 in 1956; BBDO, \$209.5 vs. \$194.5; McCann-Erickson, \$207.5 vs. \$174; Young & Rubicam, \$200 vs. \$181; N. W. Ayer, \$107 vs. \$97; Ted Bates, \$103.4 vs. \$75.7; Benton & Bowles, \$93 vs. \$91; Foote, Cone & Belding, \$88 vs. \$74.5; Kenyon & Eckhardt, \$83 vs. \$82; Leo Burnett, \$80.2 vs. \$79.

Law prohibiting ad taxes such as voted last Nov. by Baltimore city council, which now plans to repeal levies (Vol. 14:7), was passed this week by Md. House of Delegates and sent to Senate in Annapolis, where favorable vote was expected. Measure would prevent local govts. from singling out advertising for special taxes.

Chrysler account resigned by McCann-Erickson when agency won big Buick business (Vol. 14:7) is split by Leo Burnett (corporate) and Young & Rubicam (Chrysler & Imperial). BBDO continues to handle DeSoto; Grant Adv., Dodge.

New and Upcoming Stations: Two new stations were authorized to begin operation as of March 2—and on-air box score rises to 534 (92 uhf). KTVU, Oakland, Cal. (Ch. 2) will begin as independent—sixth outlet in San Francisco Bay area. WBPZ-TV, Lock Haven, Pa. (Ch. 32), about 25 mi. west of Williamsport, will pick up ABC-TV programs off air from WILK-TV, Wilkes-Barre (Ch. 34), 80 mi. away, opening outlet in area which has been getting service from community antenna systems.

KTVU has 25-kw RCA transmitter and 100-ft. Ideco tower with 5-bay antenna on San Bruno Mt., South San Francisco. Studios and offices are in elaborate new building in Oakland's Jack London Square. Heading owners are ex-Don Lee v.p.'s Ward D. Ingram and William D. Pabst, each with 31.17%. Ingram is pres. & gen. sales mgr., Pabst is exec. v.p.-gen. mgr. Other owners are oilman Edwin W. Pauley, 31.17%, who was principal stockholder in rival applicant Television East Bay, and Stoddard P. Johnston, 6.17%, who headed rival Channel Two Inc. Option for 20% is held by Willet H. Brown, pres. of Don Lee, headquartered at KHJ-TV, Los Angeles. Kenneth Craig, ex-ABC, Hollywood, is program director; Richard Robertson, promotion director; Robert Arne, ex-Don Lee, chief engineer. Base hour is \$1000. Rep is H-R Television.

WBPZ-TV has 1-kw RCA transmitter and 100-ft. Stainless tower on Sugar Lusk Mt., 2.5 mi. from town. Owners also operate radio WBPZ and are headed by Donald C. Welch, with 4.46% of stock. Harris Lipez is gen. mgr. of TV-radio. WBPZ staffers assuming TV duties are Richard Yohe, sales mgr.; David King, program mgr.; Albert Stratmoen, chief engineer. Base hour is \$100. Rep is Devney.

* * * *

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

KGHL-TV, Billings, Mont. (Ch. 8) has set March 15 target for programming as non-interconnected NBC-TV affiliate, reports gen. mgr. Jeff Kiichli. AT&T has set late spring target for hooking up with network. It has 25-kw RCA transmitter and new RCA traveling wave antenna on 417-ft. Ideco tower. Base hour is \$200. Rep is Young.

CKOS-TV, Yorkton, Sask. (Ch. 3) has ordered RCA transmitter and antenna for April delivery, plans programming by June 1, reports gen. mgr. R. L. Skinner. It has studio-office building nearly completed and will use 500-ft. Utility tower. Rep not chosen.

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Two applications for TV stations were filed with FCC this week, bringing total to 120 (30 uhf). Applications: For Portland, Ore., Ch. 2, by Fisher Bestg. Co., 2/3 owner of KOMO-TV (Ch. 4) & KOMO, Seattle; for Huntsville, Ala., Ch. 31, by local group headed by insurance man John S. Gregory Jr. [For details, see *TV Addenda 26-E* herewith.]

WJDM, Panama City, Fla. (Ch. 7) went off air temporarily Feb. 27 when severe storm washed out tower and caused extensive damage to antenna, diplexer equipment, transmission lines and other equipment. It returned to air Feb. 28, using 2-bay RCA antenna mounted on 150 ft. pole with power of 3.5-kw.

CBS Readies KMOX-TV, St. Louis: CBS closed \$4,000,000 purchase of KWK-TV, St. Louis (Ch. 4) this week, announcing that long-delayed take-over of station in complex parlay (Vol. 14:1-2) will be effective March 16, call letters to be changed to KMOX-TV. Consummation of deal with KWK Inc. (\$2,500,000 for broadcasting assets, \$1,500,000 for buildings & real estate) followed modification by FCC of authorization for transfer by CBS of its CP for St. Louis Ch. 11 to 220 Television Inc. FCC deferred disposition of CP for 30 days following any action by Court of Appeals in pending plea by FCC to set aside stay of authorization won by onetime Ch. 11 applicant, St. Louis Amusement Co. At same time, CBS announced these KMOX-TV personnel: Gene Wilkey, from radio KMOX, gen. mgr.; Charles McAbee, from CBS-TV Spot Sales, N. Y., gen. sales mgr.; Leon Drew, from network's WXIX, Milwaukee, program mgr.; Harry Harvey, from KMOX, technical operations director; Tom Stanton, from radio KWK, promotion & publicity director.

DuMont Buys Second Radio: Cleveland's pioneer radio WHK (5-kw, 1420 kc), which was reputed to be the first commercial station in the city when founded 36 years ago, was sold for \$700,000 this week to DuMont Broadcasting Corp., which a year ago bought radio WNEW, New York for record \$7,500,000 (Vol. 13:12) and which also operates TV stations WABD, N. Y. (Ch. 5) and WTTG, Washington (Ch. 5). Owner *Cleveland Plain Dealer* thus gets out of broadcast operations, except for 40.63% interest it still has in WKBN-TV, Youngstown (Ch. 27) and radio WKBN; it also has held CP for uhf Ch. 19 in Cleveland since Dec. 1953, which will also be transferred to DuMont. Announcement of purchase of WHK, NBC affiliate since July 1956, indicated gen. mgr. K. K. Hackathorn would stay with station, DuMont's Bernard Goodwin stating no changes are contemplated in either personnel or policies.

Bermuda's first civilian TV station—ZBM-TV (Ch. 10)—is now on air. Owned jointly by Bermuda Broadcasting Co. (55%), Bermuda Press Ltd. (30%) & Mid-Ocean News Ltd. (15%), it carries programming of ABC, CBS, NBC and Associated-Rediffusion (British). It's actual second TV station in Bermuda, since U. S. military has had low-power station on air since July 1955 for personnel at Kindley Air Force Base. Reporting on station's debut, Britain's *Commercial Television News* ended long story with this anticlimactic comment: "In spite of some acid comments in the local press about 'flat Bermudian voices' and English announcers—and the fact that high winds blew down the tower during the second evening's transmission—the new station seems all set for success."

Eight video tape recorders were shipped this week by Ampex Corp. to stations, including first east of Mississippi. They went to Philadelphia's WFIL-TV and Pensacola's WEAR-TV (2 each), New York's WOR-TV, San Antonio's KENS-TV, Louisville's WHAS-TV, Los Angeles' KHJ-TV. Production model recorders previously shipped went to Seattle's KING-TV, Portland's KGW-TV, San Francisco's KRON-TV, Houston's KPRC-TV.

Translator starts: K78AI, Libby, Mont. began Feb. 18 repeating KHQ-TV, Spokane; K70BB, K77AI, K73AI, K80AL, K83AE, Redwood Falls, Minn. were testing Feb. 19, carrying all Minneapolis-St. Paul stations, including educational KTCA-TV.

New rep: WMBV-TV, Marinette-Green Bay, Wis. to Hollingbery March 1 (from Venard, Rintoul & McConnell).

Incredible Case of Comr. Mack: Everything seemed to fall into place suddenly Feb. 28 during FCC Comr. Richard A. Mack's testimony on Miami Ch. 10 case, in course of Harris subcommittee hearings on "improprieties" in regulatory agencies (p. 1). Having heard Mack testify for 1½ days, Congressmen apparently came to the conclusion that Mack was telling the truth; that his faults were weakness and ignorance, not Machiavellian cunning.

Harshness of questions softened as subcommittee members learned that Mack really didn't know how Miami attorney Thurman A. Whiteside was taking care of him financially; that he was apparently unaware Whiteside might be influencing him to vote for winner National Airlines.

Chairman Harris (D-Ark.) wrapped situation up with unusual 800-word written statement, which he stepped out of room to dictate during Feb. 28 hearing. In part, it reads:

"You have admitted receiving money or loans from a trusted friend, a man in whom you admittedly have explicit confidence. You have accepted a number of these so-called loans or payment of money during the time that you have been a member of the FCC. At the same time, you have admitted that you knew that he was interested in a matter pending before the Commission on which you were to pass, and on which you did pass judgment . . .

"The revelation from these hearings has presented one of the most fantastic operations I have ever known of. It is a disgraceful situation that undoubtedly has destroyed the confidence of a lot of people in this great agency. Steps should be taken to correct it.

"I cannot see anything through all of this revelation but a deliberate conspiracy to bring about certain results through the instrument of an important agency of the Federal Govt.

"I feel sorry for you. You are to be pitied, in my opinion, because I think you have been used as a tool in this unfortunate mess.

"It seems to me that the best possible service that you could render now as a member of the FCC would be to submit your resignation. Furthermore, it seems to me that the President of the United States, who is responsible under the law for your appointment, should unhesitatingly, under the circumstances revealed during these hearings, make a request for your resignation, and thus employ action that would establish the confidence so vitally necessary in this great agency of the Govt."

* * * *

Mack sat stunned, blinking away the beginnings of tears, finally said: "I will seriously consider your remarks. I haven't withheld anything. I appeared voluntarily. I tried to cooperate. In light of your statement. I'd like to be excused until sometime next week."

Harris said request was "reasonable," asked Mack to return March 5—and Mack agreed. Hearing then recessed, and Mack's legal asst. H. Earle Barber rushed to side of the grey-faced 48-year-old commissioner, led him slowly to rear of hearing room—where he put on his coat and hat and took his departure.

Reporters tried vainly to draw Mack out but he said only "no comment." Later, his counsel Wm. Porter, substituting for partner Roger Robb, said that he had no idea whether Mack planned to resign; that Mack was

in "good shape," taking situation "in his stride"; that he'd be back on the stand March 5, as far as he knows.

Committeemen were inclined to regard Mack as naive, not wilfully crooked. Reflecting Mack's naivete was his observation, when he told about frequent borrowings from Whiteside since their college days: "I must confess that throughout my career I have not been what might be called a money maker." Also: "I find it most difficult to slam the door in the face of a Congressman or a Senator or a friend, but I have always tried to steer the conversation away from the merits of any particular case."

With virtually all members of Harris group later stating they agree Mack should resign, question is raised about procedures to remove him if he refuses. President Eisenhower, during this week's news conference, said he was passing "no judgment at this time" because Attorney General Wm. Rogers is studying matter. "The only function of the President in a thing of this kind," he said, "is to appoint the man, and he is appointed to a term and the only way he can be removed is for cause, so therefore I assume that would be by a trial of some kind." The President himself or Congress can conduct an impeachment trial.

Attorney General Rogers this week denied reports Justice Dept. had recommended Mack's removal, said decision was up to President. "We've had reports from the FBI," he said, "but we haven't received the final report. The investigation isn't closed."

* * * *

What led up to climax in case was 4½ days of testimony by Whiteside and Mack on their financial dealings. Basic facts are these: In early 1953, when Mack was member of Fla. Railroad & Public Utilities Commission, Whiteside simply gave him 1/6 interest in Stembler-Shelden Insurance Agency, Miami, which handles National Airlines TV account. Then, he gave him all of Andar Inc., a holding company. Mack's earnings from these ownerships from 1953-57 were \$10,000-\$13,000 (exact amount isn't clear)—and Whiteside applied the money against loans he'd given Mack.

What it comes down to is that Whiteside loaned Mack money, then gave him the wherewithal to pay it back. Mack testified that he knew almost nothing about these companies, implicitly trusted Whiteside to take care of things. What had Mack done to earn the money? He said he supplied insurance company with list of truck and bus companies that could use liability insurance—and that's all. He avowedly didn't know it handled the airline business, and this week announced he was giving up his ownership in the agency immediately.

Whiteside testified he'd taken 7 promissory notes for loans. Mystery developed when he said he had turned them over to subcommittee. Harris said they couldn't be found. Mack said Whiteside had sent 2 or 3, marked "paid," back to him but that he had destroyed them.

Whiteside's testimony covered a maze of bookkeeping transactions that seemed impossible to unravel. Rep. Moss (D-Cal.), a businessman with good grasp of bookkeeping, called Whiteside's system "amazingly convenient."

* * * *

How did Whiteside attempt to influence Mack in favor of successful National Airlines' application? Whiteside testified that, without fee, he was doing a favor for Robert Anderson, attorney for Airlines. All he did, he said, was to tell Mack that Airlines' principals were of high quality. Mack testified to same thing.

Mack read prepared statement at beginning of his testimony, said he voted for Airlines because of principals' ability, their Fla. residence, their plans to devote considerable time to station. He said Airlines would have won even without his vote, for decision would have been 3-1-1—though he noted that he voted first, under FCC procedure in which junior member declares himself first.

Mack said Whiteside had also contacted him in connection with Miami Ch. 7 and a Charlotte, N. C. case—but subcommittee didn't ask for details.

Letter from Sen. Kefauver (D-Tenn.) was read into record to effect that he got concerned when he heard his friend A. Frank Katzentine might lose case because of "influence"; that he urged Democratic Comrs. Bartley & Hennock to vote on merits of case at time Katzentine held favorable recommendation of examiner.

Kefauver said he had met Mack and Mack spoke "feelingly" of indebtedness to ex-Chairman McConnaughey for help in getting him on Commission. Mack testified, however, that he didn't know what, if anything, McConnaughey or any other Republican might have done toward his appointment. All he knew, he said, is that Fla. Democratic Senators Smathers & Holland were for him.

Democratic members of subcommittee tried to get Mack labeled an "Eisenhower Democrat" but Mack said he hadn't supported Eisenhower.

* * * *

It isn't known yet whether Justice Dept. will take criminal action against Mack. During week, Harris read several provisions of laws which he said put Mack and others "in a very bad position." These included section of Communications Act prohibiting commissioners from engaging in "any other business." Mack's defense was that he wasn't "actively engaged" in the insurance firm. Another was section of Criminal Code applying to those who attempted to influence "the due and the proper administration of the law."

Congress is moving fast on legislation designed to curb influence. Senate Judiciary subcommittee under Sen. Ervin (D-N. C.) starts hearing March 5 on bill (S-2462) introduced by Sen. Jackson (D-Wash.). Rep. Wolvorton (R-N.J.) introduced similar bill (HR-11022) which was referred to Commerce Committee.

Toll Franchise Dropped: Rather than face referendum next June, Paramount-owned International Telemeter Corp. asked Los Angeles city council last week end to drop its wired pay-TV franchise. Skiatron, which also has been awarded Los Angeles franchise, has indicated it will follow suit.

Question of revoking franchises is still scheduled for June 3 ballot as result of petitions filed by movie exhibitor-led "citizens' committee" (Vol. 14:4,7), but council has set hearing on franchise withdrawal for March 5. In letter requesting withdrawal of franchise, Telemeter pres. Louis A. Novins said his company plans to concentrate on wiring smaller cities where "the decision will be made in thousands of American homes and no vested interests can stop their free choice."

Skiatron last week received go-ahead from city council of Santa Ana, 30 mi. south of Los Angeles, for wired pay-TV system, and its strategy appears to be to ring Los Angeles with pay systems in suburban communities.

Meanwhile, "First National Conference on Pay TV" was called for June 28-29 in San Francisco by editor Don Rico of *Pay-TV Newsletter & Digest*, San Francisco news-

Newspaper editorial comment has become more and more insistent. Said *N. Y. Times*: "Many officials in a position to pass upon such favors and a multitude of persons, including members of Congress, seeking them for themselves or their friends, are without doubt enmeshed in the business of extralegal influence peddling. It is only when the American public insists on a higher standard of morality among its public servants that this corrosive disease will be cured. We all have a share in Mr. Mack's case."

The *Washington Post* editorialized: "Filing an application for a [TV] license is, at best, a costly gamble . . . It is a matter of record that one applicant spent \$1,000,000 on his application—all of it legitimately—before obtaining a license. Anyone who takes such a gamble is entitled to expect that the game he enters is not going to be played with loaded dice. He is entitled to expect that the prize will be awarded on the merits of the exhibits and data and surveys and engineering research he has assembled at so much cost—and not on the basis of backdoor influence exerted by Congressmen, Administration moguls, political fixers or friends of rival applicants."

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Harris subcommittee will continue with Miami Ch. 10 case, though Harris says "we're about through." Hearing resumes March 3—with Whiteside, then Katzentine, on stand. National Airlines pres. G. T. Baker and his counsel Alexander Hardy are due next day, Mack day after. Caucus room of Old House Office Bldg. will again be scene.

The ousted Dr. Schwartz, who had predicted committee "whitewash," said Feb. 28 he was in full agreement with the Harris statement demanding Mack's resignation, that he wanted publicly to commend the subcommittee "for its efforts to get at the truth" and that the hearings so far have provided a "total vindication of my statement and position." Ex-subcommittee chairman Rep. Moulder (D-Mo.), noting that Doerfer and Lee had joined with Mack in the Ch. 10 vote, predicted to newsmen that the probe could also lead to their resignations.

Harris said he believed Col. Gordon Moore, Mrs. Eisenhower's brother-in-law, should come forward as a witness, but declined to state whether he would invite Moore.

letter devoted to subscription TV.

Still smarting over resolutions adopted by House and Senate Commerce Committees, Zenith and Skiatron this week put out further statements attacking network lobbying. And Sen. Long (D-La.) inserted in *Congressional Record* FCC Chairman Doerfer's reply to his letter demanding investigation of charges some TV stations "have violated their duties as licensees" in campaigning against toll TV. Doerfer said he is studying Long's letter and will make full reply "shortly."

Another anti-subscription-TV bill, HR-10978 by Rep. O'Konski (R-Wis.), was introduced this week.

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FCC Chairman Doerfer will discuss "Broadcasting Looks to the Future" at April 11 session of Boston U's 2-day Conference on Enlightened Public Opinion. New building of school of public relations & communications will be dedicated April 12.

NCAA football games will be televised by NBC next fall for 4th consecutive season, contract signed this week calling for national telecasts on 8 Sat. dates and Thanksgiving, plus 4 regional telecasts.

TV's Editorial Function: As a leader in community affairs, a local TV station has duty to take firm stand on local issues—but only after thorough research to find the right position. This was view of 2 panelists—CBS news v.p. Sig Mickelson and Miami's WTVJ news v.p. Ralph Renick—at Feb. 26 Radio Television Executives Society round-table discussion in N. Y.

Mickelson announced that CBS-owned WHCT, Hartford (Ch. 18) will begin regular weekly 15-min. program of editorials March 2. He outlined these details: Rather than use regular news staff, station has employed entirely separate editorialist, who specializes in keeping himself completely informed on all local and regional issues. Experiment will be restricted to local topics. Editorialist will report his findings to WHCT management committee to determine station's viewpoint.

Person delivering editorial won't appear on screen. His voice will be heard and viewers will see only a moving tape with the editorial copy. Opposition point of view will be given equal opportunities; letters to management concerning editorials will be encouraged and representative sampling of them will be telecast on each program.

As to network editorials, problems are different. Mickelson said CBS has editorialized on 3 different occasions, has formulated these rules: (1) News and opinion should be separated, with editorials plainly identified. (2) Editorial must represent management opinion. (3) It must be product of thorough, exhaustive research. (4) Affiliates should be notified of full content sufficiently in advance of air time to give them opportunity to reject editorial. (5) Opposition spokesmen should have opportunity to obtain comparable time.

Renick, who is in charge of what he called "the first continuing TV editorial in history," explained that WTVJ has had daily TV editorial since Sept. 2, 1957, which he delivers on his evening news show. Booklet, *The Television*

Editorial, distributed at meeting and available from WTVJ on request, states that ratings of Renick's news show increased from about 15 before editorials were begun to 32.5 last month, and not only have stirred considerable favorable comment but often have had concrete results in civic betterment.

Renick's rules for TV editorializing: (1) One person must be sole, final authority. (2) Editorials should be restricted to local and state issues. (3) Station must conduct intensive and speedy research. (4) The one who delivers editorial must be well-known and respected, and must know his community well. (5) Editorial must be labeled as such and separated from news segments. (6) "Courage is important—to take a definite stand and then stick with it." (7) No editorial should be just a "blast"—course of action must be presented. (8) "Editorials should be clearly on side of righteousness and betterment."

Canon 35 Protests Tabled: American Bar Assn.'s ban on TV-radio-photo coverage of court proceedings stayed in lawyers' code book unchanged this week despite pleas by NAB and ANPA that Canon 35 be relaxed. Convening in Atlanta, ABA House of Delegates granted unprecedented hearing to broadcasters and newspapers on camera-&-microphone issue. Then House voted to defer any action pending annual ABA meeting Aug. 25-29 in Los Angeles, when recommendations by special committee for retention of Canon 35 (Vol. 14:1) will be presented. NAB freedom-of-information committee chairman Robert D. Swezey (WDSU-TV & WDSU, New Orleans) argued that TV-radio coverage of courts is needed to give public full knowledge of administration of justice, urged that fact-finding bar-media committee be named to test whether trials would be disturbed. ANPA counsel Elisha Hanson told House that "photographing, broadcasting & televising of trials under present-day methods can be done without degrading the court." They were opposed at hearing by Richard P. Tinkham, chairman of ABA committee on Canon 35, who argued that cameras & microphones can interfere with orderly court procedure, affect trial results.

FCC Tight With VHF Experimentals: FCC isn't going overboard in authorizing short-spacing experiments with vhf stations. This week, it turned down request of WITV, Ft. Lauderdale (Ch. 17) to operate simultaneously on Ch. 6 from its present site—Commission simply concluding: "The proposed program of experimentation does not offer sufficient promise of substantial contribution to the development of the TV art to warrant grant of application." Vote was close, however—Comrs. Doerfer & Craven dissenting from action of Hyde, Bartley & Lee, while Mack & Ford were absent.

WJMR-TV, New Orleans, is making similar experiment with Ch. 20 & Ch. 12.

There were several allocations actions: (1) Denied proposal to add a 4th vhf channel to San Antonio. (2) Added Ch. 13 to Panama City, Fla. (3) Started rule-making on proposals to shift KATV's Ch. 7 from Pine Bluff to Little Rock, Ark., Ch. 12 from Brainerd to Walker, Minn. (4) Terminated proposal to shift WMBV-TV's Ch. 11 from Marinette to Green Bay, Wis.—at request of WMBV-TV and its purchaser (*Evening Telegram*, Norman M. Postles & Walter C. Bridges) which said it wants to study situation before determining whether to move.

One CP was granted—Ch. 12, Logan, Utah, to Cache Valley Bestg. Co. (Reed Bullen). [For details of week's actions, see *TV Addenda 26-E* herewith.]

IUE Demands Annual Wage: First big gun in 1958 labor contract negotiations with electronics industry was fired this week by IUE, union aiming demands at RCA for guaranteed annual wage, "substantial" pay increases, more fringe benefits covering 25,000 employees. Bargaining on full economic package to replace 2-year 1956 agreement probably will start in April. Present contract runs out June 1. Next in IUE's line of fire: GE & Westinghouse, whose 5-year contracts call for reopeners this year. Union pres. James B. Carey said 1958 negotiations "may well be the most significant the IUE has engaged in." Other developments on labor fronts: (1) NABET agreements with NBC & ABC, negotiated last month in Boston on national basis (Vol. 14:6), were rejected by publicist members of Hollywood Local 53, threatening strike on networks. CBS faced similar local rejection of national IBEW agreement (Vol. 14:8). (2) Hollywood musicians asked AFM pres. Petrillo for permission to picket major Hollywood studios in dispute over TV royalty payments (Vol. 14:8)—move which could halt movie production. (3) NAB filed 29-pp. brief with Labor Dept.'s wage & hour div. protesting proposed rule that TV-radio news stringers are regular employes of stations, subject to overtime provisions of Fair Labor Standards Act. NAB argued stringers are independent contractors, that many would lose jobs without FLSA exemptions.

HI-FI RINGS TILL FOR PHONO MAKERS: Reflecting hi-fi surge, those phono makers who put chips on high end of 1957 lines reaped a happy harvest, according to the latest EIA statistical wrap-up of phonograph-hi-fi business. Staggering 600% increase was scored in factory sales of radio-phonographs in over-\$300 bracket. Big increases were evident, also, in all high-end brackets.

Industry missed by a hair the prediction of 5,000,000 phonos, radio-phonos and player attachments (Vol. 13:51 -- actually sold 4,975,000 -- and scored a 19.2% increase over 1956. Year-end inventories were in fine shape -- 575,000 units -- of which 220,000 were 45rpm record changers.

Note these hi-fi successes: Sales of over-\$300 console radio-phonos jumped from 50,000 units in 1956 to 300,000 in 1957. Over-\$200 phonos, without radios, increased from 150,000 units to 420,000. Table-model phonos over \$150 increased from 60,000 units to 119,000 in 1957.

Entire radio-phono group boosted sales from 526,000 in 1956 to 1,048,000 in 1957, while phonos without radios showed a substantial increase -- up from about 3,300,000 to 3,700,000. Record player attachments were off, 213,000 vs. 312,000.

Trend toward portables was evident throughout 1957, specially in the radio-phono combination class where units selling for more than \$80 increased from 56,000 to 146,000; sales of \$50-\$80 units increased from 76,000 to 98,000 and only 5000 units remained in inventory at year end. Portables without radios increased sales in all price brackets: Over-\$100, up from 168,000 to 313,000; \$70-to-\$100 increased from 328,000 to 384,000; \$50-\$69, from 318,000 to 325,000; under \$50, up from 33,000 to 84,000. And, factory inventory of portable bracket was less than 10% of industry production for the year.

COLOR TV--STILL NO BANDWAGON: "Well, what's wrong with the Cadillac trade?" Thus, RCA chairman David Sarnoff's response when asked why he thought color TV, the bright hope of both the telecaster and the merchandiser, hasn't yet taken hold and is still regarded as a rich man's playtoy. Gen. Sarnoff wouldn't say any more, for he has some very capable executives assigned to the job of popularizing color. But he did indicate by his remark that RCA is content, if not satisfied, that it's making progress with color even if it's still regarded as a carriage-trade item.

Turning out splendid pictures, and with some 325 stations equipped for tele-casting color, it's potentially the one big hope held out for a hypo to the TV trade in the way of high-end sales. Yet, because prices continue high and lower-end sets are easier to sell, the attitude of the rest of the industry is one of just plain apathy -- and until this week it looked as though RCA-NBC (with assists from CBS-TV) would once again have to carry the color ball itself this year.

Westinghouse will actively seek 10% of this year's color sales, according to Edward Kelly, gen. mgr. of its TV-radio div. "We ran a survey among our dealers and distributors," he told us, "and find the demand for color is high enough to warrant our getting in." He indicated Westinghouse would make upwards of 18,000 color sets this year and said its prices would be "competitive." That can mean only that his 1958 color line will begin at \$495 or \$550, depending on RCA June line's starter.

But the attitude of the rest of the industry can best be described as let's-wait-and-see. It was expressed the other day by Philco pres. James M. Skinner when he told us, "You can say again what I said last year." In June 1957, Skinner went on record as stating color was still not a finished product, that Philco would have a color set in its line but that it would not push it.

Philco, GE, Admiral, Motorola & Sylvania had color sets on display at Jan.

marts in Chicago -- but, as of this week, their spokesmen indicated they would be no more active this year than they were last in promoting their color sets. Others who make limited quantities of color receivers are Emerson, Hoffman, Magnavox. Reports that Zenith is making plans can't be verified, though it now probably ranks third only to GE (if combined with Hotpoint) in sales of black-&-white sets. RCA is first.

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RCA's big 1958 color push starts in June when it introduces a new line of sets. Currently, it's staging a trade-in promotion on 11 color sets, having ceased production of the so-called 700 Series of early 1957 and of last fall's 800 Series. June line will be known as the Mark Series, according to Robert A. Seidel, exec. v.p. for consumer products. It may include some carryovers from 1957.

But don't look for the rumored \$399 set in that line. Seidel would not disclose pricing plans specifically -- but he did say, "Our costs keep going up." It may be recalled that the low end of the 700 Series had a \$495 list, when the 800 Series appeared in the fall the low end was \$550, ranged up to \$850. Some dealers are selling the \$495 models for \$395, the \$850 for \$600. It can be assumed the new series will start no lower than \$550. Then there's also the \$39.95 warranty for 3 months' service and one year's components and the \$99.95 warranty for full year -- not likely to be lowered.

How many color TVs are now in use, nobody except possibly RCA really knows-- but Sylvania's Frank Mansfield estimated 160,000 at end of 1956, 320,000 at end of 1957 (Vol. 14:5) and RCA does not dispute the figures. At least 300,000 are RCAs, and that company apparently has set a rule-of-thumb that real mass production will not be achieved until there are at least 1,000,000 color sets in use. RCA keeps up its promotion, during the last year increased its so-called "key color dealers" from 2500 to 4500. Seidel claims color sales in first 5 weeks of 1958 were double those of the same preceding year's period -- but what the figure was then, he doesn't say.

More About Auto Radios: In listing makers of auto radios (Vol. 14:8), we omitted to mention Motorola as the maker of all factory-installed radios for American Motors. That this is important is manifest from fact that Rambler is enjoying big popularity at the marketplace -- and Motorola tells us its orders are substantial. Motorola also claims that it ranks No. 1 in after-factory sales of auto radios.

TV-Radio Production: TV set production was 86,903 week ended Feb. 21 vs. 98,841 preceding week & 123,225 in 1957 week. Year's 7th week brought production to 723,457 vs. 785,965 last year. Radio production was 192,460 (70,792 auto) vs. 211,545 (68,874 auto) in preceding week & 307,909 (126,450 auto) last year. For 7 weeks, production totaled 1,572,934 (556,139 auto) vs. 1,941,105 (909,951 auto).

Trade Personals: Eugene A. Tracey resigns as Emerson sales v.p., his future plans undisclosed . . . John J. Graham promoted to new post of mgr., operations administration, RCA industrial electronics products . . . M. R. Duncan promoted to mgr. of product service & marketing administration, GE technical products dept. . . Howard G. Strassner promoted to mgr. of manufacturing, Stromberg-Carlson telecommunication div., succeeded by Roy W. Jones as mgr. of production; Malcolm P. Herrick promoted to mgr. of quality control; Wm. J. Conley Jr. to mgr. of plant maintenance . . . A. Robert Baggs promoted to mgr. of marketing, RCA Victor Radio & Victrola div. . . Joseph T. Cimorelli promoted to mgr. of manufacturing, receiving tube operations, entertainment tube products dept., RCA electron tube div. . . W. J. Zaun promoted to new post of mgr., operations, govt. service, RCA Service Co.; T. Y. Flythe succeeds him as mgr., quality control . . . John R. Wagenseller promoted to mgr. of services, marketing dept. of RCA semiconductor div.

ELECTRONICS PERSONALS: G. Ross Kilgore, ex-director, Signal Corps electron device div., rejoins Westinghouse as mgr. of new applied research lab, Baltimore; Dr. Arthur Jensen, ex-RCA, named mgr., special electron devices section; Gerald Klein, ex-Signal Engineering Labs, named mgr., microwave tube section . . . Henry Lehne promoted to v.p. of Sylvania electronic systems div., continuing as gen. mgr.; R. Neal Breesman promoted to customer relations district mgr. at Dayton . . . Angus MacDonald promoted to director of engineering, Motorola military electronics center (Chicago) and communications & industrial electronics div. . . S. D. Heller promoted to new post of v.p., BMEWS (ballistic missile early warning system) service, RCA Service Co.; K. M. McLaren promoted to v.p., missile test project . . . Frank V. Wallack Jr. named director of research, Westbury Electronics, Westbury, N. Y. (community antenna equipment) . . . Melville D. Bowers, specialist in servo-mechanisms for guided missiles, named head of electronic section, Edison Research lab.

GE Abandons Fair Trade: Moribund fair trade got a death blow this week from GE, world's largest electrical manufacturer, which told retailers it would stop trying to maintain consumer prices. Sunbeam promptly followed suit, removing the last small appliance manufacturer from the fair trade list.

This latest jolt came just at a time when fair trade advocates were trying to stem their waning fortunes. Politically potent small business groups persuaded Rep. Oren D. Harris (D-Ark.) chairman of the House Commerce Committee to introduce a bill (HR-10527) amending the Federal Trade Commission Act and charging the Commission with enforcement of fixed prices. Sen. Humphrey (D-Minn.), influential member of the Senate Small Business Committee, himself once a strong fair-trading druggist, said he's "studying several drafts of new fair trade legislation" but has not decided what to introduce, if anything.

The National Association of Retail Druggists and its Bureau of Education on Fair Trade—principal lobbyists for Federal price fixing laws—were credited with authorship of the Harris bill which skillfully skirts any direct mention of fair trade, says its purpose is to "equalize rights in the distribution of identified merchandise." Practically, the bill would make it lawful for the manufacturer or distributor to establish resale prices on goods in interstate commerce.

Abandonment of fair trade by GE and Sunbeam started a wave of price cutting in small appliances across the nation. Word of the proposed action leaked out early in the week and, within hours, major retailers had slashed GE appliance prices as much as 60%.

Reason for GE's move, according to W. H. Sahloff, v.p. for housewares and radio receivers: (1) Adverse legal decisions in 11 states have made fair trade enforcement impossible. (2) Fair-trading dealers "have been placed in an untenable competitive position when located next to non-fair trade areas." Trade sources noted that the high cost of policing GE prices, reputedly \$500,000 annually, also may have been a factor. Sunbeam's reason: "To stay competitive with GE."

Congressional advocates of fair trade took the GE-Sunbeam action in stride, promised to press for effective fair trade laws this year. They speculated that GE—and many others—would be back on the fair trade bandwagon once enforceable laws go on the statute books. In its annual report, the Senate Small Business Committee promised "to study carefully the proposals of proponents of Federal fair trade laws, with full cognizance of the economic problems confronting independent manufacturers and retailers."

Two factors make 1958 a ripe year for fair trade talk—in not conclusive action—in Congress: (1) It is an election year, with Congressmen currying favor of vote-producing small business groups in their home districts. (2) The business letdown will stimulate all kinds of plans to help the little retailer compete with the discount house and large department store.

DISTRIBUTOR NOTES: GE names v.p. Wm. C. Wichman as gen. mgr., GESCO div., succeeding v.p. Charles R. Pritchard, named special consultant . . . Philco transfers Carl Krumrei to gen. mgr. of Los Angeles branch, succeeding Wallace Ostman, resigned (Vol. 14:6); he is succeeded as Chicago branch gen. mgr. by Charles Hakimian, ex-Norge-Chicago pres., who rejoins Philco . . . Canadian Admiral promotes Andy Hause to mgr., Toronto branch, Wallace Johnston to product mgr., TV-radio div.; Keith Comly to mgr. of appliances, succeeded by Doug Wood as traffic mgr.; names E. J. Mullen gen. mgr. of subsidiary Ensign Acceptance Corp. . . . Zenith appoints Nelson & Small, Portland, for Me. & 3 counties of N. H., replacing Emery Waterhouse, Portland . . . Admiral appoints Reines Distributors, Albany, its northeastern N. Y. distributor, for central N. Y.; Reines opens offices at 102 W. Division St., Syracuse . . . Stromberg-Carlson appoints James Gedney, Lakewood, Colo., for special products div., Denver & Rocky Mt. area . . . Leo J. Meyerberg Co., San Francisco (RCA) adds 13 counties of San Joaquin Valley formerly serviced by Edco, Fresno, to northern Cal. territory; names Jack Smith Fresno district mgr. . . . Hotpoint promotes Floyd M. Slasor Jr. to Buffalo district product service mgr. . . . Graybar promotes W. K. Collum to mgr. of Roanoke branch . . . GE Los Angeles names Jack Fitzpatrick, ex-Kierulff (Motorola), to new post of exec. sales mgr. for TV in southern Cal. . . . Hotpoint names Thomas H. Marden, ex-Paul Jeffrey, Syracuse, district sales mgr., Buffalo . . . Graybar promotes L. A. Russ to operating mgr., Evansville, Ind.; C. J. Fiely to operating mgr., Louisville; W. J. Hewitt to supervisor, Lexington . . . Precision Radiation Instruments names Lloyd Dopkins, ex-Granco, gen. sales mgr. of Radio Craftsmen div. with headquarters in N. Y. . . . Sterling Hi-Fidelity Inc., N. Y. (Nordmende, German hi-fi), appointed American distribu-

tor for Norwegian DNH speaker line . . . Tafel Electric & Supply Co., Louisville (Westinghouse), promotes George Lawler to gen. mgr., succeeding Paul Tafel Sr., retired . . . West Texas Appliance Co., San Antonio (Philco), names Tom Paradee, ex-Strauss-Frank, Dallas (Sylvania) as sales mgr. . . . Calbest Electronics appoints Craig Corp., Los Angeles (Columbia phonos), for hi-fi components in southern Cal. . . . Bell Sound Systems appoints McDowell Redlingshafer Sales Co., Kansas City, for tape recorders & hi-fi equipment in Kan., Neb., Ia., Mo.; adds Okla. to territory of W. R. Hays Co., Dallas . . . Erie Resistor names Ferguson Electronics Supply, Detroit, for Erie, Teflon, Corning Glass electronic components . . . General Precision Labs appoints educational TV products div. of National Theatre Supply (27 branch offices) for educational closed-circuit TV systems.

CBS-Hytron's J. H. Hauser, distributor sales mgr., tube div., reports realignment of distributor sales organization: Reporting to W. W. Posey, east central regional sales mgr.: J. H. Denelsbeck, Columbus; H. Munna, Detroit; S. R. Selby, Indianapolis; W. F. Good, Cleveland; D. R. Smith, Pittsburgh. Reporting to F. M. Hickey, northeast regional sales mgr.: J. E. Doane, Boston; J. F. Gilbert, N. Y.; R. R. Clauss, Philadelphia; B. F. Hayes, Syracuse; W. J. Cote, Newark; W. H. Dunn, Washington, D. C. Reporting to H. L. Reichert, midwest regional sales mgr.: J. F. Conti, St. Louis; R. R. Pegler, Kansas City; A. F. Baldensperger, Dallas; F. E. Castle, Houston; R. S. Dunn, Chicago. Reporting to W. J. Fitzpatrick, west coast regional mgr.: L. M. Hitt, San Francisco; J. M. Bearse, Seattle; E. W. Stack, A. Trafford, Los Angeles. Heimann Co. is Minneapolis rep.; A. J. Nelson Co., Denver; Cary Chapman & Co., Atlanta (southeast).

RCA-Zenith Settlement: In wake of last week's criminal anti-trust indictment of RCA by N. Y. Federal Grand Jury for alleged patent-distribution monopolies (Vol. 14:8), RCA revealed this week that it came out of last year's Zenith anti-trust settlement (Vol. 13:37-38) with better terms, cash-wise, than many in industry had speculated.

Under terms of Zenith agreement, RCA, GE and Western Electric agreed to pay Zenith and tube-making subsidiary Rauland approximately \$10,000,000 over 10-year period—but each company's share in payments had never been spelled out publicly. In annual report this week (see p. 15), RCA revealed that its contribution to settlement will total only \$4,800,000—payments not to begin until 1960. RCA also stands to get \$700,000 to \$3,000,000 from Zenith when each company's back patent royalty claims are arbitrated. Here is text of RCA's statement on terms of settlement—first official report on settlement by any of companies involved in suit:

“Under the terms of the settlement agreement Zenith and Rauland agreed to make payments to RCA for use of RCA patents on which RCA had sued them for infringement; the aggregate amount of such payments by Zenith and Rauland to RCA to be determined by arbitration between a maximum of \$4,700,000 and a minimum of \$2,800,000. RCA agreed to pay Zenith and Rauland for Zenith and Rauland patents used by it in an amount to be arbitrated between a maximum of \$2,100,000 and a minimum of \$1,700,000. RCA's contribution to the settlement of the litigations is \$4,800,000, to be paid at the rate of \$600,000 in 1960 and \$700,000 during each of the succeeding six years. (This is equivalent to an immediate cash payment of \$3,961,843 at 3¼% interest.) Five-year royalty-free cross-license agreements have been entered into by RCA with Zenith and Rauland under domestic and foreign patents issued before September 1, 1957 relating to electrical phonographs, radio and black-and-white television receivers and tubes. These licenses do not include any developments

Automobile radio production (see p. 12) was off for the 7th straight week, down 38% from year ago (566,139 vs. 909,951), reflecting record new car inventory. *Ward's Automotive Reports*, statistical oracle of the car industry, says industry faces a severe and protracted adjustment in factory operations. New car stockpile was estimated at 900,000 by week end—“69 days supply and highest ever reached in automotive industry”. Sales for first two months were estimated at 692,000 vs. 959,000—off 267,000 from same 1956 period.

Closed-circuit color TV system he designed and built himself won 17-year-old Stephen Kent Burns, Romco, Mich., one of final awards in 17th Westinghouse Science Talent Search among high school seniors. He's one of the 40 finalists in Washington this week to vie for 5 top prizes—scholarships worth \$3000 to \$7500 to be awarded March 3. Burns is headed for MIT this fall.

“Home electronics div.” is new name of Sylvania's radio and TV div.—“to describe more effectively the division's present activities and to allow for future expansion into other product lines,” according to Marion E. Pettegrew, senior v.p. and div. head. New products would be those which “can be marketed through our existing distribution channels.”

in the field of color television nor in other areas of research nor in pay TV. RCA has notified its domestic licensees of its willingness to modify its licensing agreements with them.”

RCA statement didn't give details on status of its discussions with other licensees looking toward modified license agreements. It did, however, report that GE and Western Electric “paid RCA in 1957 a net cash sum of \$24,500,000 and RCA agreed that their licenses under inventions subject to their respective patent license agreements from RCA are now paid up,” noting that “RCA already has paid-up licenses from General Electric and Western Electric on inventions made by these companies prior to Jan. 1, 1955 in the general field of radio purposes.”

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Attorney General Rogers, at press conference in Washington this week, declined comment on incongruity of chief trust-buster Victor Hansen's statement last week impugning RCA's defense contributions with huge prime Air Force contract award to RCA last month for anti-missile radar system which will eventually cost \$721,000,000 (Vol. 14:4). In answer to question, he did say Justice Dept. has received no complaint from Defense Dept. about last week's anti-trust suit.

He also said, in response to another question, that Govt. hasn't yet decided whether to appeal anti-trust suit against RCA-NBC in Philadelphia-Cleveland station-swap case, which was thrown out of court by Federal Judge Kirkpatrick, who upheld RCA-NBC argument that Justice Dept. is barred from acting on a transfer already approved by FCC (Vol. 14:2). Rogers pointed out that Justice Dept. has 90 days to appeal, which would bring deadline to mid-April. Most observers are certain that Justice Dept. will appeal this important case directly to Supreme Court.

House Judiciary anti-trust subcommittee, headed by Rep. Celler (D-N. Y.), announced this week that it will investigate Justice Dept.'s 1956 consent decree settlement of anti-trust suit against AT&T and Western Electric which opened those company's patents to all comers and required Western Electric to divest itself of sound recording equipment subsidiary Westrex (Vol. 12:4). Some Democrats have expressed opinion that settlement was too soft. Hearings will start about March 25.

Reports & comments available: on Hoffman Electronics, in analysis by Edmund W. Tabell of Walston & Co., 265 Montgomery St., San Francisco. On Consolidated Electronics Industries, in memo by Bache & Co., 36 Wall St., N. Y. On Texas Instruments, in research study by Goodbody & Co., 115 Broadway, N. Y.

RCA Victor Distributing Corp., which markets RCA and other products to retailers in 10 merchandising areas, increased its 1957 volume by 6% over 1956, says company's annual report. During year new distributing locations were established in Davenport, Ia. & Springfield, Mo.

Hi-fi specialty stores in U.S. now number 2143, according to National Credit Office, N. Y., including retailers and distributors of both components and packaged sets—but not vendors of packaged sets alone.

Edison Radio Amateur Award for 1957, sponsored by GE, was presented this week at Washington banquet to James E. Harrington, Lake Charles, La., for maintaining the only communications when hurricane Audrey smashed Cameron, La.

Rep. Mahon (D-Tex.), chairman of House defense subcommittee on appropriations, will address the industry-govt. dinner at Statler Hotel, Washington, on March 20 during EIA's 3-day annual spring conference.

Financial Reports:

BIGGEST ENTITY in the "electronics entertainment" and associated fields, RCA for the third successive year has increased sales while exceeding the \$1 billion income mark—but, also for the third successive year, has suffered a drop in net profit. Annual report for 1957 shows \$1,176,277,000 revenues, up 4.3% from preceding year, net profit after taxes amounting to \$38,549,000 (\$2.55 per common share), down 3.7%. The 1956 report showed \$1,127,774,000 sales & \$40,031,000 net profit (\$2.65); 1955, \$1,055,266,000 & \$47,525,000 (\$3.16). The 1955 profit was an all-time high.

Manufacturing services accounted for nearly 73% of RCA's income, broadcasting (TV & radio) for nearly 25%. These were the 1957 revenue sources: Manufacturing services and sales to commercial customers, \$588,628,000 (50%); manufacturing services & sales to U. S. Govt., \$266,992,000 (22.7%); broadcasting, \$292,212,000 (24.9%); communications, \$26,036,000 (2.2%); training school (RCA Institutes Inc.), \$2,409,000 (.2%).

In 1956, the manufacturing revenues were: commercial, \$575,274,000 (51%), Govt., \$240,184,000 (21.3%). Broadcasting accounted for \$286,415,000 (25.4%), communications \$23,665,000 (2.1%), training \$2,236,000 (.2%).

* * * *

RCA's annual report is only place NBC's gross income figures are disclosed, and the 1957 report notes that TV network billings increased 22%. Yet, over-all, NBC's 1957 increase was only about \$6,000,000 over 1956, though 1956 ran better than \$40,000,000 ahead of 1955's \$246,173,000. There are no further breakdowns on NBC.

The diminution in profits is explained in report released by Brig. Gen. David Sarnoff, chairman, as due to "softening of general economic conditions and the highly competitive situation in the radio-TV industry . . ."

Profits before Federal income taxes actually ran \$77,049,000 vs. \$80,074,000 in 1956. Total tax bill, including social security, property, state & local, was \$87,032,000, or \$6.28 per common share. Dividends paid last year totaled \$23,909,000, including \$3.50 on preferred, \$1.50 on common. Firm's payroll totals 78,000, including 7200 abroad, receiving \$417,350,000, or 35¢ out of each sales dollar. It boasts 10,000 suppliers, nearly 75% of them in Govt.'s classification of "small business."

Though it recently was named prime contractor on one of the biggest defense contracts of all time (Vol. 14:4), RCA report simply notes that govt. work (\$267,000,000) was 11% higher than preceding year, that current backlog is about \$250,000,000, including initial portion of Ballistic Missile Early Warning System (BMEWS) for Air Force. Among other defense activities were completion of Talos Defense Unit at White Sands Proving Grounds, N. M., first fully automatic base for firing and guiding missiles; development of "the most precise tracking radar in existence" for guided missile range instrumentation; development of single-sideband system of high-altitude, long-range radio communications; major participation in 2 large scatter-transmission systems.

ZENITH RADIO, in the face of the industry recession, enjoyed second highest gross and highest net in its history in 1957—not including proceeds to come out of recent patent settlement with RCA, GE & Westinghouse (see p. 14). In preliminary report to stockholders at Feb. 27 special meeting, exec. v.p. Hugh Robertson disclosed sales of \$160,018,978, up 13% from \$141,529,855 in 1956 and comparing with \$166,733,276 in record 1953. After-tax profit for 1957 was \$8,165,577 (\$16.58 per share), up 32% from \$6,178,717 (\$12.55) in 1956 and comparing with \$8,034,491 (\$16.31) in 1955.

Though industry production and shipments of TVs in 1957 were lowest in 5 years, Robertson said Zenith produced and shipped to its distributors the greatest number of sets in its history while distributor shipments to dealers were also at record high. He claimed "highest percentage of total industry volume that the company ever had." Factory shipments in 1958 to date are "continuing substantially ahead of the same period a year ago."

Proposed 2-for-1 stock split was approved, and on March 31 Zenith changes from an Illinois to a Delaware corporation, increases authorized shares from 500,000 par to 2,000,000 par \$1; outstanding shares will be increased from 492,464 to 984,928. Next dividend March 31 to stockholders of record March 14 will be \$1, equivalent to 50¢ per share on the split stock. In 1957, Zenith paid 75¢ per share quarterly plus \$2 extra.

— ■ —

Philco's comeback is reflected in 1957 sales increase to \$372,629,000, up about 5% from \$356,568,000 for 1956. Consolidated net income rose to \$4,363,000 (\$1 per share) from \$567,000 (under 1¢) in 1956. Figures include for first time those of wholly-owned Canadian subsidiary, though pres. James M. Skinner Jr. states "this does not significantly affect earnings for the year or the consolidated financial position at year-end." Earnings for both years were computed on basis of the 3,984,787 shares outstanding at Dec. 31, 1957 after 4% stock dividend of Dec. 27. Net worth increased \$3,832,000 during year, current net assets decreasing \$1,274,000 mainly because the 15-mo. promissory notes issued to purchase Bendix laundry inventory became current liabilities during year. Civilian inventories were \$11,638,000 below 1956 level.

Dividends: Zenith, \$1 payable March 31 to stockholders of record March 14 (after 2-for-1 stock split); Sylvania, 50¢ April 1 to holders March 10; Hoffman Electronics, 25¢ March 31 to holders March 17; 20th Century-Fox, 40¢ March 29 to holders March 14; Amphenol, 30¢ April 25 to holders April 11; Webcor, 15¢ March 29 to holders March 14; General Dynamics, 50¢ May 9 to holders April 11; Whirlpool, 25¢ March 10 to holders March 3; Canadian Westinghouse, 25¢ April 1 to holders March 14; Canadian GE, \$2 April 1 to holders March 15; Philco, no action; GE, 50¢ April 23 to holders March 14.

Jerrold Electronics earnings in fiscal year ended Feb. 28 will be less than the \$161,529 (15¢ per share) for year earlier (Vol. 13:20) despite sales increase to about \$5,900,000 from \$5,142,702, according to pres. Milton J. Shapp. He attributed decline in net to high sales costs and product development expenses. Corrective measures, he said, should bring profit for first 6 mo. of fiscal 1959 vs. loss of \$77,798 in fiscal 1958 period (Vol. 13:45).

Edgar N. Greenebaum & Associates, financial specialists in electronics & nucleonics, moves offices to Inland Steel Bldg., 20 W. Monroe St., Chicago 3 (phone, Financial 6-2137), as of March 1.

COMMON STOCK QUOTATIONS

Week Ending Friday, February 28, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
14 1/2	6 1/2	Admiral	8 1/4	-1/8	376 1/2	270 1/2	IBM 2.60	328 1/2	-4
27	16 1/2	Am Bosch 1.05g	19 1/4	+1/8	37 1/2	25 1/4	IT&T 1.80	29 1/2	-3/8
24 1/2	11 1/2	Am Bcstg-Para.1	13 3/4	-1/2	50 1/2	33	I-T-E CirB .45e	36	-1 1/2
43 1/2	29 1/2	AmMach&F 1.60	34 1/2	-1/8	10 1/2	7 1/2	List Indust 1/2e	7 1/2	-1/8
179 1/2	160	AT&T 9	172 1/2	+1/2	56 1/2	29 1/2	Litton Ind.	38 1/4	-1/8
33 1/2	19 1/2	Amphenol 1.20	24 1/2	+1/4	22	11 1/4	Loew's	14 1/2	-1/8
36 1/2	28	Arvin 2	26 1/4	-1 1/4	44	28 1/2	Magnavox 1 1/2 b	35 1/2	-3/8
7 1/2	4 1/2	Avco .10e	6 1/2	+1/8	50 1/2	23 1/2	Mallory 1.40b	27 1/4	+1/8
47 1/2	21	Beckm Inst 1 1/4 f	21	-1/4	131	73 1/2	Mpls. H'll 1.60a	80	-1/2
66 1/2	42	Bendix Av 2.40	48 1/2	+1/4	9 1/2	35 1/4	Motorola 1 1/2	39 1/2	-1/2
52 1/2	27 1/2	Burroughs 1	30 1/4	-1 1/8	51 1/2	7	Nat'l Thea 1/2	8 1/4	-1/8
25 1/2	15 1/2	Clevite 1.15g	17 1/2	+1/8	38 1/2	28	Paramount 2	33 1/4	-1 1/4
36 1/2	23 1/2	CBS "A" 1b	24 1/2	-1	18 1/2	11	Philo 3/4f	14	-3/8
35 1/2	22 1/2	CBS "B" 1b	24	-1	40	27	RCA la	33	-1
20 1/2	11 1/2	Col Pictures 3/4 t	14	+1	23 1/2	16 1/2	Raytheon 1 1/4 t	21 1/2	-3/8
54 1/2	25 1/2	Cons Elec. 40a	29	+1/8	8 1/4	4 1/4	Republic Inc	6 1/2	-3/8
35 1/2	18	Cons Electron	22 1/4	+1/8	39 1/2	29 1/2	Sang Elec 1.80	33	+1/4
27 1/2	12 1/2	Cor-Dub .20e	14	-1/8	18	12 1/2	Siegler .80	14 1/2	+3/8
106 1/2	57 1/2	Corning Glass 1a	78	+1/8	6 1/2	2 1/2	Sparton	3	-1/8
6 1/2	3 1/2	Davega	3 1/2	-1/8	26 1/2	17 1/2	Sperry Rand .80	19	-1/8
47	27 1/2	Davstrom 1.20	30 1/2	+1/4	9 1/2	5 1/2	Standard Coil	7 1/2	-1/8
19 1/2	13 1/2	Decca 1	15	+1/4	18 1/2	13 1/2	Stanley-War 1	15 1/2	-1/8
15 1/2	13	Disney 40b	16 1/4	-1/4	41 1/2	27 1/2	Stew Warner 2b	30	-1/2
115	81 1/2	East Kod 1.55e	102	+1/4	29 1/2	18 1/2	StorerBcstg 1.80	22	-1/2
34	22 1/2	Emer Elec 1.60	32 1/4	+1/2	46 1/2	29 1/2	Sylvania 2	35 1/4	-1/4
6 1/2	3 1/2	Emerson Radio	5	-1/4	31 1/2	15 1/2	Texas Instru	27	-3/4
10 1/2	6 1/2	Gabriel .60	8	-1/4	89 1/2	46	ThompProd 1.40	42 1/2	-1/2
68 1/2	46 1/2	Gen Dynamics 2	60	-3/8	37 1/2	21 1/2	Tung-Sol 1.40b	24	+1/8
72 1/2	52 1/2	Gen Electric 2	60 1/4	-1/8	30 1/2	19 1/2	20thC-Fox 1.60	24	-1
8 1/2	4	Gen Inst. .15g	5 1/2	-1/4	25 1/2	15	United Art 1.40	18 1/2	+1/8
47 1/2	30 1/2	GenPrEquip 2.40	38 1/4	-1/4	30 1/2	18 1/2	Univ. Pict la	22	-1/8
30 1/2	22 1/2	General Tire .70b	27 1/2	+1/8	28 1/2	16 1/2	Warn Bros 1.20	17 1/2	-1/8
45 1/2	36 1/2	Gen Telephone2	42 1/2	-1/8	68 1/2	52 1/2	Westing El 2	60 1/4	-1 1/4
25 1/2	17 1/2	Hoffman Elec 1	22 1/2	+1/8	140	91 1/2	Zenith 3a	138 1/4	+5 1/2

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/4	-1/8	44 1/2	29 1/2	Hazeltine 1.40b	33	+3/8
52 1/2	19 1/2	Allied Con la	38 1/4	+2 3/4	3 1/2	2 1/4	Herold Ra .20	2 1/2	-1/8
21 1/2	11	Amer Electro 1/2	13 1/2	+1/8	6 1/2	3 1/2	Int Resist .20	4	+1/8
11 1/2	6 1/2	AssocArtProd	9 1/4	-1/4	8 1/2	4	Lear	5 1/2	-1/8
12 1/2	4 1/2	Audio Dev .05d	8 1/4	-1/4	1 1/2	3/4	Muntz TV	1/2	-1/8
13 1/2	6 1/2	Belock Inst 1/4 t	8 1/2	-1/8	3 1/2	2 1/2	Muter Co 1/4 t	3	-1/8
1 1/2	3/4	C & C TV	3 1/2	-1/4	9 1/2	5 1/2	Nat'l Telefilm	6	-1/8
5	2 1/2	Clarostat .15g	3 1/2	-1/4	2 1/2	1	Nat Union El	1 1/2	-1/8
6 1/2	3	DuMont Lab	3 1/4	+1/4	11 1/2	3 1/2	Norden-Ketay	3 1/2	-1/8
7 1/2	2 1/2	Dynam Am	3 1/4	-1/4	5	3	Oxford El .10d	3 1/2	-1/8
12 1/2	8	Electronic Com.	12 1/4	-1/4	20 1/2	10 1/2	Phillips El	13 1/2	-1/8
12 1/2	5 1/2	Electronics Cp	6 1/4	-1/2	12 1/2	6 1/2	Servomech .40	6 1/2	-3/8
31 1/2	16	Fairch Cam 1/2 g	28 1/4	-1 1/2	9	3 1/2	Skiatron	3 1/2	-1/8
30	8 1/2	General Trans	19 1/2	-1/4	8 1/2	2 1/2	Technicolor	3 1/2	-1/8
20 1/2	14 1/2	Globe Un .80	14 1/2	-1/4	5 1/2	3 1/2	Trans-Lux .20g	4 1/2	-1/8
4 1/2	2 1/2	Guild Films	2 1/2	-1/8					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.	2	2 1/4	Magna Theatre	3	3 1/2
Aerovox	3 1/2	4	Maxson (W. L.) .05	5 1/4	6 1/2
Airborne Inst	40	43	Meredith Pub 1.80a	26	28
Altec Co .80	7 1/2	8 1/4	National Co. (4% stk)	11 1/4	12 1/2
AMP Inc	17	18	Oak Mfg. 1.40	15	16
Ampex	50 1/2	53	Official Films .10	3/4	1
Baird Atomic	10	11	ORRadio	13 1/2	15
Cinerama Inc	1 1/2	1 1/2	Pacific Mercury TV	5	6
Cinerama Prod	1 1/2	2	Packard-Bell .50	11 1/2	12
Cohu Electronics	7	7 3/4	Panelitt	4 1/2	5 1/2
Collins "A" .35	12 1/4	14	Perkin-Elmer	24 1/2	26
Collins "B" .35	12 1/2	13 1/4	Reeves Lamp (14% of par)	32 1/2	35
Cook Elec. .40d	18 1/2	19 1/4	Reeves Soundcraft (stock)	2 1/4	3
Craig Systems	4 1/4	4 3/4	Selectvision Inc.	1 1/2	1 3/4
DuMont Bcstg	7 1/2	7 1/2	Sprague Electric 1.20	31	33
Eitel-McCullough (5% stk)	26 1/2	28 1/2	Taylor Instrument 1.20	29	32
Elec Assoc (stk)	7 1/2	8 1/2	Tele-Broadcasters	2 1/2	3 1/2
Erie Resistor .40b	7 1/2	8	Teletelcom 30	6 1/2	6 1/2
Friden Ind. 1	39 1/2	42	Teletelcomputing	4 1/2	4 1/2
Giannini, G. M.	12 1/4	14	Teletromper (stock)	6	6 1/2
Granco Products .05	1	1 1/4	Time Inc. 3.75	56	59
Granco Telescaling 1.60	16 1/2	17 1/4	Topp Industries (stock)	9	9 1/2
Hewlett-Packard	22 1/2	23	Tracerlab	5 1/2	6
High Voltage .10g	25 1/2	27	Trav-Ler	1 1/2	1 3/4
Hycor	2 1/2	2 3/4	United Artists	5 1/2	5 3/4
Indiana Steel Products 1.20a	19 1/2	19 1/2	Varian Associates	15	16
Jerrold	1 3/4	2 1/4	Victoreon Inst	4 1/2	4 1/2
Ling Industries	1 1/2	2 1/4	Webcor .15e	12 1/4	13
Leeds & Northrup 60b	19 1/2	22	Wells-Gardner	6 1/2	6 1/2
Machlett Labs .25g	14	15	WJR Goodwill Station .50d	11 1/4	12

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Do You Know That . . .

THE LATE WAYNE COY, who served as FCC chairman from Dec. 29, 1947 to Feb. 21, 1952, could play politics with the best—or worst—of them and there are those who still think his turbulent regime was the epitome of New Deal high-handedness. But never did suspicion of scandal ever attach to Wayne Coy, nor was any question ever raised about his "fraternization" with those in the industry with whom he was personally most compatible. In our book, he was the soul of honor, a really great public servant whether you agreed with his policies or not.

Chairman Coy had a way of handling Congressional seekers after special favors that not enough of his colleagues have emulated. He always asked them to put requests in writing—and usually that was the end of it.

The story is told (and we have reason to believe it's true) that one of the most highly placed men on Capitol Hill, a personal friend of Coy's and colleague of their world-shaping days together in the early New Deal, waited on him at his FCC office one day and literally begged him to commit himself for a constituent in a competitive case.

The decision meant a lot to him politically, this legislator frankly told Coy, who reiterated his stock promises of "judicial notice" and "due consideration"—and asked the legislator to "put it in writing."

"Wayne, all I can say is that you're a sonofabitch," was the legislator's parting shot as he left Coy's office—but he said it admiringly and he never asked a special favor again. Postscript to this episode, incidentally, was that Coy eventually voted against the constituent.

Frequent method of Senators and Congressmen is to have their assistants or secretaries make the calls to commissioners, or simply to permit the FCC claimant to quote them as favoring their request—and it often works, as evidenced in recent Harris subcommittee testimony. It works all too often when the commissioners are under Congressional fire or when one is up for reappointment.

As for White House influence, it's talked about a lot—and certainly has been exerted in the past, though probably never with the knowledge of the President himself. That the attorneys for the very people who seek special influences dislike the system, is manifest from the observation of one of the leaders of the FCC bar commenting on the current proceedings: "Maybe they'll clean things up so that we can really practice law again."

"[TV] finds itself in a curious position today. On the one hand, it is encountering increasing criticism over the quality of its mass-appeal . . . programming; on the other, it is discovering new frontiers of service that are possible only because of the success of its mass-appeal programs . . . Most of the unrest over quality appears to originate with a very small but very articulate minority. The minority representative [says that if networks] would only program for thinking people like himself, we would elevate the stature of TV and we would win new friends who count. Possibly, but we would also lose our mass audience and with it the economic supports that permit us to continue non-profitable programs of more limited appeal."—Robert W. Sarnoff, pres., NBC.

NAB TV code film emblem—seal of broadcasters' organization with film reel superimposed on one corner—has been supplied by Code Review Board to 19 members of Alliance of TV Film Producers, CBS TV Film Sales, NBC's Cal. National Productions, all affiliate subscribers. NAB also is distributing TV Code documentary film, "A Welcome Guest in the House," produced by Westinghouse.

**THE
AUTHORITATIVE**

WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

MAR 11
1948
Television Digest
with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — March 8, 1958

NETWORK HEARING STARTS, ABC maintaining allocations inequities are root of problem, CBS insisting "tampering" can jeopardize whole system (pp. 1 & 4).

TV FACTBOOK No. 26 off presses: Reference "bible" of TV and related electronic industries has more than 75 updated and new directories, tables, etc. (p. 2).

REPLACEMENT FOR MACK on FCC may affect "balance of power" on policy. Grand jury investigation now delving into "influence" angles (pp. 2 & 8).

SEPARATION OF TV-RADIO joint ownerships may be next crusade against the "ins"; of 531 TV stations, 347 have radio counterparts, usually profitable (p. 3).

SOME ODD HOBBIES among industry folk: Making fine jewelry, raising orchids, running fire engine, making pipe organ, collecting objects of art (p. 8).

BARTLESVILLE COMEBACK follows telemovie system changes to regain subscribers, but wired-TV operators aren't yet ready to claim success (p. 11).

COLUMBIA & DISNEY BAN TV releases, lining up with other studios in Theatre Owners' drive to save post-1948 features for paying audiences (p. 11).

WESTINGHOUSE CONFERENCE on local TV-radio public service brings 325 participants to Baltimore for 4-day sessions, 175 stations represented (p. 16).

Manufacturing-Distribution

FTC AD COMPLAINT against Admiral may be settled by consent judgment; possibility looms mfrs. must police distributor-dealer advertising (p. 12).

HI-FI COMPONENT MAKERS UNITE to compete with package phono mass advertising (p. 12).

PRICE CUTTING AFTERMATH of fair trade abandonment leaves radios comparatively unscathed; chance for new Federal legislation lessened (p. 15).

COLOR SET SALES UP 50%, but not yet "booming," reports RCA, which refuses to sell setup to Russians for Brussels Fair. New tube reported in London (p. 15).

NETWORKS' FIRST LICKS ON THE BARROW REPORT: Impressive defense of networking was mounted this week by ABC & CBS -- NBC gets its innings next week -- as FCC kicked off its network hearing. Networks didn't stint in preparation for hearings, despite fact they'll get considerable assist from vast majority of witnesses to follow in the estimated 30 days of hearings -- and despite well-known fact that many of Commissioners have grave doubts about the "corrective" measures recommended by staff under Roscoe Barrow, dean of Cincinnati U Law School.

ABC's basic tenet in testimony: Root of all network problems is lack of competitive station facilities, and allocations changes are the solution.

CBS's argument: Networking is so complex, and inter-relationships are so delicate, that governmental tampering can jeopardize entire structure.

Threaded through their presentations, too, was the plea that no tinkering be done in time of recession, when networks are first to feel pinch.

Both pointed to risky nature of networking to fact that loss of very few sponsors could mean difference between profit and loss, and to tremendous costs of experimenting with programs that fail.

Much of networks' testimony was directed at retention of option time and network ownership of stations -- but neither ABC nor CBS went along with any of Barrow staff's 37 recommended changes.

Leonard H. Goldenson, pres. of American Broadcasting-Paramount Theatres, led ABC's presentation -- backed by ABC-TV pres. Oliver Treyz, TV station relations v.p. Alfred Beckman, and Selig J. Seligman, gen. mgr. of KABC-TV, Los Angeles.

CBS's presentation was much longer, pres. Frank Stanton setting stage, fol-

lowed by economic advisor Dr. David M. Blank, TV station relations & engineering v.p. Wm. B. Lodge, and CBS Inc. v.p. Richard S. Salant.

All 6 commissioners heard testimony, all asked questions, and Commission counsel were Robert Rawson and Herbert Schulkind.

Hearings resume 10 a.m. March 10 in Interstate Commerce Commission hearing room B, with NBC pres. Robert W. Sarnoff as leadoff for 5 other NBC witnesses who may take up most of week; they're to be followed by National Telefilm Associates' Ely Landau, then by multiple owners. Hearings shift to an FCC hearing room March 11. [For digests of this week's testimony, see pp. 4-5.]

THE STANDARD REFERENCE BOOK OF TV: There's nothing phoney, nothing in the nature of mere "special edition," in the 1958 Spring-Summer edition of TV Factbook No. 26, off the presses this week. Product of year-round staff effort, this semi-annual "bible" of the telecasting and associated electronic entertainment fields runs 488pp., and updates 75-odd directories and statistical tables compiled over the last 13 years. Old-timers will recall the precursor of the Factbook as a 4p. Supplement listing all early stations, CPs, applications.

More than half of the Factbook is devoted to U.S. & Canadian TV stations and networks, to the more than 500 foreign stations, to complete lists of all CPs outstanding and applications pending -- with detailed data on facilities, names of executives, digests of rate cards, etc.

Among related directories are TV-radio manufacturers, community antenna systems, attorneys & engineers, live & film program producers, color-equipped stations, trade associations, research firms, unions, equipment makers; also, updated allocations tables, lists of station sales & transfers, newspaper-owned stations, statistical tables on TV-radio billings, on advertising expenditures, TV-radio receiver production, sales, inventories, etc.

New are first lists of phono-hi-fi manufacturers ever compiled, applicants for TV cable systems, transistor manufacturers, station ownerships by theatrical interests. Factbook again has edge-index for quick reference, and with each volume there is a 35x23-in. wall map in color showing the city and time-zone locations of all U.S. & Canadian stations, all network routes, all private relays.

Copies are available at \$5 (\$3.50 each for 5 or more); extra maps, \$1.50.

FCC POLICY SHIFT WITH MACK OUT? One of the most critical FCC appointments in years is due, now that Comr. Richard A. Mack has resigned (for details of week's developments, see p. 8). New man may well hold balance of power in many important decisions to come, and his philosophy could do much to determine general characteristics of Commission -- "laissez faire" or "big stick" or something between.

Reason is that there's no fairly clear "majority bloc" at FCC at the moment. Not too long ago, one could generally expect that Republican Comrs. McConnaughey, Doerfer, Lee and Democrat Mack would vote together on some policy matters. And, Republican Hyde and Democrat Bartley frequently stood together in dissent in matters of "diversification," "concentration of control," etc. Democrat Craven, an engineer not long in office, has tended to lean toward majority's thinking.

Newest member, Republican Ford, doesn't appear inclined to line up with any camp. For example, at the network hearing this week (p. 1), he showed interest in reviving questions of vhf allocations, deintermixture, more use of uhf. He's known to be desirous of exploring possibilities of uhf, which he sees as the only means of obtaining more stations, more competition; he's also disturbed about McFarland Act and the hobbles it puts on FCC, making it "abdicate" power to select station licensees in cases of transfers of ownership.

Mack's replacement presumably will be high-type, for too many eyes will focus on FCC henceforth for the Administration to chance more political hacks. Many candidates for the vacancy will be mentioned, as usual -- but only one "hot" as yet seems to be John S. Cross, asst. chief, State Dept. telecommunications div. He's

53, has been with State Dept. since 1948, has represented U.S. at many international communications conferences. Born in Ala., his legal residence is Ark., and he's a 1923 electrical engineering graduate of Alabama Polytechnic Institute.

It's recalled that same State Dept. div. gave FCC (1934-37) one of its ablest and most distinguished members, Dr. Irvin Stewart, now pres. of U of West Va.

* * * *

FCC's problems aren't lessening, by a long shot. Not only are members due to go before Harris investigative subcommittee next week, in connection with Miami Ch. 10 case, but Justice Dept. disclosed this week that a "very broad" grand jury investigation is going into many phases of FCC activity.

It had been thought that only the Ch. 10 case was under grand jury scrutiny early this week, when attorney Thurman A. Whiteside and insurance agent Charles F. Shelden were subpoenaed. At week's end, however, Justice Dept. spokesmen hinted that another competitive TV case was being explored; that other Commission members, including former commissioners, are involved.

In letter filed with Federal District Court in Washington March 4, Attorney General Wm. Rogers said Justice Dept. is informed that Federal laws have been violated by "persons, companies, corporations and firms unknown to the Dept." The alleged violations, he said, cover: Use of money, gifts, etc. "with intent to influence" FCC; receiving "money or gratuities while acting for or on behalf of the U.S. in an official capacity"; making of false statements "in matters within the jurisdiction of a dept. or agency of the U. S.;" obstructing justice, perjury.

Justice Dept. doesn't regard its inquiry as small potatoes. That's clear from fact it put 4 special attorneys on it: Robert J. Rosthal, J. Frank Cunningham, Wm. P. Clancy, James J. Sullivan.

Political battle has become very fierce. Exposure and resignation of Democrat Mack has made Democrats eager to find Republican scapegoats; they'll try to find them within FCC, other agencies, high councils of Administration. They haven't really bagged any big game yet, but they aren't going to stop now. On other hand, Republicans are trying their best to get several Senators tarred with the brush of attempted "influence" in Miami Ch. 10 case.

SEPARATION OF TV-RADIO SEEN LIKELY: Long range, the separation of TV and radio network and station operations -- a separation that has been in effect at CBS for several years, and that is gradually being effected also at ABC & NBC -- may be the precursor of eventual corporate separation, possibly forced by govt. fiat.

Now that radio is back on its fiscal feet, and doing very well (Vol. 14:5), it won't be surprising if Congress and/or the FCC will declare them competitors who should not dwell in the same tent. Though only hinted in Barrow Report, this may well be one of the most drastic results of the upcoming Barrow inquiry -- and there are many among the jointly-owned TV-radio operations who recognize and fear it.

Some 60% (347 out of 531 on-air TV stations) have radio counterparts, according to new TV Factbook No. 26. Many of the radio stations sired the TVs and supported them during their salad days. Nobody paid joint ownership much mind then, or while radio was slipping; but now that radio's up again, climbing nicely and generally self-sufficient and profitable, the argument of parental support won't carry much weight and the main argument will have to be pioneering, risk, etc.

There are some who think newspaper ownership, maybe even multiple ownership, will eventually be curbed, too. It's recalled that President Roosevelt tried to put a damper on expanding newspaper ownership through 2 FCC chairmen, but couldn't make it stick; also, that Chairman Fly imposed the 5-limit (vhf) in TV, which did stick.

* * * *

Whether the radio networks can exist on their own without station ownership, may be proved or disproved by an independent operation like Mutual, which has no station properties. After months of red operation by both its predecessor owner

General Teleradio and by purchasing Paul Roberts group, which took over last Aug., Mutual recently reported a slight operational profit (Vol. 14:5).

That TV-radio station owners are retaining joint operation on sufferance, is quite evident. All it will take is a crusade by a strong-minded legislator or strong FCC figure to persuade Congress that both facilities should not be in the same hands -- particularly if there's even a semblance of TV-radio-newspaper monopoly in area. Former Sen. Wheeler, for example, easily put through the sense-of-Senate resolution limiting AM powers to 50 kw; the late Rep. Ewen Davis (D-Tenn.) put through the famous amendment bearing his name requiring "equitable distribution" of the radio wave lengths among states according to population, then as now a physical impossibility.

And it was Commission chairman Fly who not only imposed the station multiple ownership limit, but during his tenure newspaper grants of all kinds were held up for several years pending the "investigation" inspired by President Roosevelt.

And in light of what's transpiring on Capitol Hill now, it won't be surprising if the honeymoon of broadcasters and recent regulatory administrations is over. If a new New Deal is elected, if new people are appointed to the FCC who come into office with reformer zeal, their demands upon and restrictions of the "ins" may well make previous "crusades" pale by comparison.

Networks Defend Themselves: AB-PT pres. Leonard H. Goldenson was leadoff man in FCC network hearings this week—beginning of an exhaustive probe into the structure and practices of national TV networks that is expected to last month or more. Currents and cross-currents in the telecasting industry generally, with accent on business practices, were already discernible in the first 5 days of testimony, of questioning by the 6 sitting commissioners and of cross-examination by Commission counsel.

There was disposition on part of some industry people to believe they weren't doing too well, simply because of searching character of some of the questions from the bench and out of feeling that Commission counsel, sometimes not too well informed either about the certain intricacies of the industry or about the Barrow Report itself, were disposed to make a "prosecution" of the case.

Actually, our own observation was that the commissioners, themselves preoccupied with plenty of other troubles, were far from hostile, are honestly bent on fact-finding, are determined to act judiciously. FCC counsel, it would appear, are suffering from an excess of caution for fear of being "crossed" by commissioners. On the whole, while sometimes dry and dreary, the hearings are being conducted on a high plane.

Quite a few out-of-town observers, notably station owners, managers and reps, were in and out of the hearings. Networks found they had no more ardent supporters for most of their basic policies, especially option time and "must buy," than their own affiliates—and each network will be bulwarked by independently-formed affiliates' committees, scheduled to testify later.

Station Representatives Assn., with Eugene Katz as spokesman, is expected to be main advocate of stricter control of networks, may plump against option time and certain other practices—but its primary objective, it's clear, is to get NBC & CBS out of the spot rep business. They don't want the networks to represent any but their owned

stations, and they will argue that the networks have used and can use their enormous influence over affiliates to wean them away from independent reps.

First week ended with ABC & CBS cases completed, topkicks of each strongly opposing practically all conclusions of Barrow Report though accenting different aspects. ABC's prime objective, Goldenson made clear, is competitive equality with CBS-TV & NBC-TV. He took pride in ABC-TV's programming strides, but flatly rejected any govt. help in struggle to achieve financial equality. His main point was that with adequate access to the prime marketplaces, and with enough competitive affiliates produced by allocations revisions, ABC would be in good shape.

Goldenson plumped for immediate start of rule-making to add 3rd, and possibly 4th, vhf stations in those of the top 100 markets with only one or 2. This, he suggested, could be accomplished through drop-ins, shifts from smaller cities, and 15 mileage cuts. Don't wait for TASO's allocation studies, he said, for they may be a long time coming.

Defending option time, Goldenson gave as example fact that ABC had to commit some \$35,000,000 in all to get *Disneyland*, wouldn't have done it without the assurance of clearances. Defending station ownership, he said ABC's ownership of 5 profitable vhf stations gave it cushion in event a program gamble like *Disneyland* failed. If ABC had only 3, he said, it would be a "very perilous" situation.

To point up speculative nature of networking business, Goldenson noted that Metropolitan Life wouldn't have provided \$65,000,000 financing if AB-PT didn't have extensive real estate holdings (mostly theatrical). "Our network lost money each year from its inception until 1955. We have operated at a profit in 1956 & 1957, but our 1957 profit figures are substantially below 1956," he said.

* * * *

ABC-TV pres. Oliver Treyz stressed importance of option time, said that failure to get adequate clearances would raise cost-per-thousand so high that advertisers would go to other media. And, he said, new programs couldn't be launched without assurance of the potential circulation provided by option time. He also pointed to the program-to-program audience flow enhanced by guaranteed clearance.

ABC-TV station relations v.p. Alfred R. Beckman

went into Barrow recommendations on affiliation agreements, compensation and rate-making practices, and asserted: "If adopted in the aggregate and carried to their logical conclusion, they would have the effect of changing completely the nature of the present system of TV network broadcasting from a field in which free competition is the keystone to a closely regulated business of the common carrier or public utility type."

Selig J. Seligman, v.p. & gen. mgr. of KABC-TV, Los Angeles, defended network ownership of stations. He asserted that owned-&-operated stations have "high degree of local autonomy"; that their service is enhanced by network's long-range planning, programming, prestige, etc.; that they're "major testing ground" for recruiting network personnel.

* * * *

CBS pres. Frank Stanton keyed his presentation to this question: "Is it in the public interest to have networks or not? A network has an obligation way beyond those of spot advertisers, reps and film syndicators."

"In large part," he said, "the [Barrow] Report has puzzled us, because many of the findings seem to us not to ring true—as though colored by a predisposition to a point of view . . . It is my conviction that the recommendations of the Report, on the whole, threaten to arrest the healthy development of the medium and, perhaps, to damage its driving force beyond repair."

Networks must be healthy to afford experimentation, he said, and he pointed to \$1,695,000 loss on *Boing-Boing*, \$1,359,000 loss on *The Seven Lively Arts*.

Pointing to TV's role in the economy, Stanton said that network advertising contributed substantially to rise in the gross national product from \$209.2 billion in 1946 to \$434.4 billion in 1957, and to personal consumption expenditures in same period from \$146.6 billion to \$280.5 billion.

He then gave some statistics on CBS operations: \$14,700,000 annually for AT&T lines; 6419 employes, 3057 of them fulltime (vs. 427 fulltime in 1949); \$44,000,000 annual payroll. CBS-TV news operation cost more than \$11,000,000 in 1957—and produced "substantial loss." CBS News has more than 600 correspondents in 263 cities around the world. In 1957, CBS produced 3172 hours of programs by itself or with independent packagers—about 9 times Hollywood's total feature film output.

"The balance between profit and loss in the case of networks," Stanton stated, "is so delicate that the failure to sell a single half hour a week for a year can cost a network almost \$3,000,000."

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Stanton's defense of option time: "It would take the defection of only a few key stations in major markets to deprive a network TV advertiser of so substantial a part of the nationwide circulation which he seeks that the order would be withdrawn." Slowly but inevitably, he said, there would be "fatal erosion" of network service.

"Must-buy," Stanton said, is what makes networks national media, competing with other national media. "Once we are fragmented," he stated, "we are no longer a nationwide advertising medium." He noted that Barrow's own poll of ad agencies turned up only 7 advertisers who said they had to take more stations than they want—and each of these got only 2 or 4 more than desired.

CBS Spot Sales, Stanton said, accounted for only 5% of nation's spot business through the 8 independently-owned stations it represents, thus scarcely "dominates"

rep field. He said CBS has no plans for expanding in that area.

Network ownership of stations was said to be essential as "a stable source of income to provide against the substantial risk of loss on unsponsored programs." Said Stanton: "There is no assurance of continued profits at the level of the peak year, 1956. For, even in 1957, with increased sales volume the profits of CBS-TV declined perceptibly, and, so far, the outlook for 1958 is, to say the least, not better." He noted that CBS-owned stations produced 16% of network's gross in 1957 but 46% of profits.

CBS economic advisor Dr. David M. Blank presented analysis designed to show high degree of competition between network TV and other national media. Networks don't have advertisers "over a barrel," he said, because sponsors can and do shift readily to other media when TV costs seem too high.

* * * *

Wm. B. Lodge, CBS station relations and engineering v.p., covered affiliation practices, rates & compensation. Reciting CBS's practices, he urged Commission not to substitute regulation for the numerous business judgments which a network must make. He gave as example the study that CBS made in determining shift of affiliation from WCHS-TV to WHTN-TV, Huntington-Charleston, W. Va. Basically, it came down to management, for all other factors were about equal. Chief owner of WCHS-TV had died, and there was fight between majority & minority stockholders. Lodge described pressures brought to bear on CBS—from Senators, Congressmen, Governor, etc.

Lodge reported that multiple owners get no preference in CBS's choice of affiliate; that CBS radio affiliation no longer gives station first call on affiliation.

Lodge also described growth of Extended Market Plan to 32 stations, Extended Program Service to 108. He urged that affiliations be extended from 2 to 5 years.

Reviewing station compensation, he said "it does not seem reasonable to attempt to repeal the law of supply and demand by requiring equal compensation terms in all markets . . . The Report seems aimed at taking all financial incentive out of broadcasting."

CBS Inc. v.p. Richard S. Salant launched strong attack on Report's proposal that networks be regulated directly. Whole Report is fuzzy on that score, he said, with a dangerous potential—control of programming. "Make no mistake about it," he asserted, "if such power were vested in you, the areas of program judgment into which outside forces would try to press you and future Commissioners are almost limitless." He noted, among other things, that Sen. Bricker (R-O.), author of network-regulation bill, "stated that one of the reasons for such proposed regulation was to provide a govt. 'checkrein' to make sure that TV networks broadcast unbiased news."

With direct regulation, Salant said, Commission will have enormous temptation to intervene in affiliations, rates—almost anything. Public, he concluded, is the perfect arbiter.

Jobs Wanted

Note to TV Station Owners: We have names of several station management, sales and program executives presently available for employment—and will furnish them for direct contact by employers addressing bona fide descriptions of job openings to the publisher, *Television Digest*.

January Network Sales: Network time sales slipped slightly in Jan. from Dec. record (Vol. 14:6) but they were second best in history, amounting to \$49,594,212, up 14% from \$43,501,996 in Jan. 1957. Only NBC showed less in Jan. than in Dec. Figures are first to be released by TvB as result of computations by Leading National Advertisers Inc. and Broadcast Advertising Reports which have undertaken the job of compiling them monthly since discontinued by Publishers Information Bureau. Figures are based on one-time rates, hence are discountable by as much as 25% to calculate real revenues. The Jan. LNA-BAR figures, compared with those for same month of 1957 and those for Dec. 1957:

	Jan. 1958	Dec. 1957	Jan. 1957
ABC	\$ 9,134,917	\$ 8,614,646	\$ 6,715,581
CBS	22,072,167	21,980,607	20,231,474
NBC	18,387,128	19,146,483	16,554,941
Total	\$49,594,212	\$49,741,736	\$43,501,996

Correction: Television Bureau of Advertising explains that the disparity between TvB's figures and those of McCann-Erickson pertaining to 1957 spot TV advertising (Vol. 14:9) is due to fact that TvB's are based on one-time expenditures and, like PIB's monthly network figures, are designed to serve merely as an index to trends. The McCann-Erickson figures, purporting to show total expenditures by advertisers, discount the one-time figures by about 18%. Hence TvB reported record high of \$448,734,000 spent on spot TV in 1957, whereas McCann-Erickson-*Printers' Ink* put figures at \$367,000,000. As if to compound the confusion, *Broadcasting Magazine's* own estimates put 1957 "national non-spot" at \$292,408,000 (Feb. 24, 1958). Note: The McCann-Erickson figures, long established and first ever compiled for TV, cover all other media, too, and comparative tables for 1947 thru 1957 are featured in 1958 Spring-Summer *TV Factbook* No. 26, just off the presses.

Standard measurements for TV art work have been developed jointly by AAAA and Station Representatives Assn., which have devised "framing guide," now available to TV stations and ad agencies. The 11x14-in. guide is not copyrighted, and electros, mats & reproduction proofs are available from Marbridge Printing Co., 225 Varick St., N. Y. Basic standard measurements are 11x14-in. for art-work area, of which 9x12-in. is covered by TV camera and 7x9½-in. is considered minimum area which will show up on home sets.

Top 10 agency billings in copyrighted compilation by Feb. 24 *Advertising Age*, as reported by us in Vol. 14:9, were domestic figures only for 1957. Including international billings, totals (in millions) & rankings listed by magazine for last year were: J. Walter Thompson, \$285; McCann-Erickson, \$262; Young & Rubicam, \$230; BBDO, \$210.5; N. W. Ayer, \$107; Ted Bates, \$103.4; Foote, Cone & Belding, \$96; Benton & Bowles, \$93; Grant Adv., \$90.5; Kenyon & Eckhardt, \$86.

Three Wisconsin stations, all ABC-TV outlets, have "hooked up" as Badger Network—WFRV-TV, Green Bay (Ch. 5) and WKOW-TV, Madison (Ch. 27) picking up live programs off air from WISN-TV, Milwaukee (Ch. 12).

John Blair & Co., pioneer rep firm (with Blair-TV & Blair TV Assoc. divs.) will build 10-story office building of own at Michigan Ave. and Erie St., Chicago.

Intellectual snobbery and gobbledygook by Robert Lewis Shayon in March 8 *Saturday Review*: "It's a little bit odd and somewhat alarming", he writes in a cynical but not-very-well informed commentary on the Ch. 10 disclosures, "to go through the FCC file of outstanding TV construction permits and pending applications, observing how often applicants are listed as 'also owning' one or more out-of-town stations. You'll also find legions of bankers, theatre owners, newspaper publishers, and refrigerator-agency operators among the applicants—even an occasional mayor, jeweler, and chief telephone operator. You'll search long and in vain, however, to find a single teacher, professor, writer, philosopher, sociologist, physicist, or TV critic (*sic!*). This category of citizens does not own or operate any of the instruments of our popular culture. It just writes (generally despairingly) about a mass media: 'their status-conferral function, enforcement of social norms, and narcoticizing dysfunction.' In the cool clinical semantics of Dr. Paul F. Lazarsfeld: 'The forward-looking groups at the edges of the power structure do not ordinarily have the large financial means of the contented groups at the center.'" Foregoing quotes, while not in full are not out of context, either, so help us!

Rate increases: KOCO-TV, Enid-Oklahoma City, Feb. 5 raised base hour from \$600 to \$800, min. \$120 to \$200. WTHI-TV, Terre Haute, March 1 raised hour from \$500 to \$600, min. \$100 to \$120. KVAR, Mesa-Phoenix, March 1 added Class AA hour (6:30-10 p.m. Mon.-Fri., 5:30-10:30 p.m. Sat. & Sun.) at \$500, min. at \$100, Class A hour going from \$450 to \$350. WGEM-TV, Quincy, Ill.-Hannibal, Mo. March 1 raised hour \$300 to \$400, min. \$60 to \$80. KOMU-TV, Columbia, Mo. March 1 raised hour \$250 to \$300, min. \$50 to \$60. **Combination rate:** Additional 10% discount is made for combined sales on WSJV, Elkhart-South Bend and WKJG-TV, Ft. Worth. **Rate cut:** WMUR-TV, Manchester, N. H. March 1 cut base hour from \$700 to \$500, min. \$165 to \$100. **Spot increase:** WRBL-TV, Columbus, Ga. has raised base min. from \$80 to \$90.

Ad Tax Scheme Squelched: Statewide ban on special ad taxes in Md., where Baltimore initiated once-contagious revenue-raising plan (Vol. 14:9), was finally enacted this week. Supported by Md. Advertising Council, Robinson bill prohibiting local taxing bodies from singling out advertising won unanimous approval of State Senate after 82-16 passage in House, was promptly signed by Gov. McKeldin. New law prevents local govts. from (1) imposing sales tax on advertising unless business generally is taxed at same time & rate, (2) levying gross receipts tax on media.

Signs of the Radio & TV Times: Since 1924, 833 daily newspapers in the U.S. & Canada have suspended; since 1954, 35; during 1957, 12. On the other hand, newspaper circulation in 1957 went up 1.8% over 1956. Authority for these statements: American Newspaper Publishers Assn., which also reports 7 new dailies started last year. The 12 "suspensions" actually included several that merged or went weekly or semi-weekly.

Advertising management institute—billed as first of its kind—will be conducted Aug. 18-23 by Advertising Federation of America at Michigan State U, East Lansing, co-sponsored by journalism & communication arts schools there.

New rep: KRSD-TV, Rapid Sity, S. D. names Devney.

Television Digest

with **ELECTRONICS REPORTS**
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AM-FM Directory Published in January
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Personal Notes: David C. Adams, NBC exec. v.p.-corporate relations, elected March 7 to board of directors; B. Lowell Jacobsen, personnel director, elected NBC v.p.-personnel . . . Anthony C. Krayer Jr. promoted to business mgr. of NBC o-&-o stations and NBC Spot Sales . . . J. Smith Henley, ex-assoc. gen. counsel of FCC and now with Justice Dept., slated for Senate confirmation as Ark. Federal district court judge . . . Walt Harris, ex-KOVR, Stockton & radio KFRC, San Francisco, named production mgr. of new KTVU, Oakland-San Francisco . . . Carleton D. Smith, NBC v.p. & gen. mgr. WRC-TV, Washington, elected pres., United Givers Fund . . . Joseph H. Ream, CBS Washington v.p., was married March 1 to Mrs. Virginia Brown Miller of Washington . . . Donald E. Campbell promoted to business mgr. of Transcontinent TV Corp.'s WROC-TV, Rochester, N. Y. . . . William F. Cooke named to head newly established CBC national sales office in Toronto . . . John M. Couric promoted to NAB mgr. of news, succeeded by Larry Sims, ex-J. M. Mathes Adv., N. Y. . . . Louis J. F. Moore retires as v.p. & radio div. director of rep Meeker Co. . . . Julian Ludwig named west coast sales representative of Flamingo Telefilm Sales, supervising new Hollywood office . . . Frank Noble promoted to regional mgr. of Teleprompter Corp. for Mich., Ind., parts of Ohio . . . George Condon, ex-20th Century-Fox, named publicity director of WBBM-TV, Chicago, succeeding Herb Grayson . . . John Jarstad promoted to program director of KTVW, Tacoma . . . Jason Rabinovitz, asst. treas. of Loew's Inc., appointed to new post of gen. mgr. of MGM-TV . . . Milton J. Salzburg, ex-Cornell Films, named sales executive of National Telefilm Assoc. . . . Frank Dennis named director USIA press & publications service; Richard L. Cushing, director of public information; Albert Harkness Jr., chief of policy and plans . . . Murray Heilweil, NBC-TV merchandising mgr., shifts to NBC Radio as marketing director.

Obituary

Charles E. Butterfield, 65, first AP radio editor, then for 27 years conductor of an AP column devoted to radio & TV, died March 3 in Lakeland, Fla. He had retired in 1954 after 48 years of newspaper work.

Donald Miller, 65, special sales-promotion presentations director of CBS Radio Spot Sales, died March 1 in Norwalk (Conn.) General Hospital following heart attack. Surviving are widow, son, daughter.

Ward C. Mayborn, 78, father of Frank W. Mayborn, pres. of KCEN-TV & KTEM and editor-publisher of *Temple Telegram*, died at Sherman, Tex., March 1. Surviving are 3 sons.

Bernard Corson, 45, asst. mgr. of WLS, Chicago, under Glenn Snyder, died in Chicago March 2.

ADVERTISING AGENCIES: Arthur A. Bailey promoted to v.p., Foote, Cone & Belding in charge of Los Angeles office, succeeding exec. v.p. Roy Campbell, retiring; Nelson Carter promoted to v.p. & gen. mgr. . . . Robert Matthes, ex-N.W.Ayer, named TV-radio mgr. of Cunningham & Walsh, San Francisco . . . John Elliott Jr., BBDO v.p., N.Y., and Thomas C. Dillon, v.p. & Los Angeles office mgr., elected directors . . . John Coulson and Guy Safford elected v.p.'s of Leo Burnett, N. Y. . . . T. Jack Henry, McCann-Erickson v.p., named mgr. of Detroit office, succeeding senior v.p. Paul Foley who will divide time between Detroit & N.Y. offices . . . Frank Walsh, ex-McCann-Erickson, named research director of Erwin Wasey, Ruthrauff & Ryan; John D. Hayes named international dept. v.p. . . . Richard McCarthy promoted to v.p. marketing, Conti Adv. . . . Robert P. Breckenridge, ex-Lever Bros., joins Weiss & Geller as v.p. & marketing director . . . John H. (Jack) Byrne, v.p. of MacManus, John & Adams, heads agency's new international section, headquartering in N.Y. . . . Frank A. Birdsall, Gotham-Vladimir v.p., named mgr. of San Francisco office.

Ralph M. Cohn, founding v.p.-gen. mgr. of Screen Gems Inc., Columbia Pictures TV subsidiary, was elected pres. of that firm and a v.p. of parent film producing company at Hollywood board meeting this week, which named 52-year-old Abe Schneider as studio's new pres., succeeding the late Harry Cohn. Ralph Cohn is the son of the late Jack Cohn, co-founder of Columbia, and a nephew of Harry Cohn.

Dr. Lee de Forest, 85-year-old patriarch of electronics engineering, will be honored at special luncheon during NAB convention in Los Angeles May 1. Rear Adm. Charles F. Horne (USN ret.), v.p. of General Dynamics' Convair div., will speak at the luncheon on "Guided Missiles—The Less Glamorous Ones."

Ralph J. Renton, FCC asst. chief engineer in charge of technical research div., promoted to assoc. chief engineer; Arnold G. Skrivseth promoted from asst. chief to acting chief of technical research div.

William Wight, ex-public relations director of Philco Corp., joins *Television Digest* as managing editor.

Broadcasters' Promotion Assn. names John F. Hurlbut, WFBM-TV & WFBM, Indianapolis, and Don Curran, KTVI, St. Louis, as program chairmen for annual meeting at Chase Hotel, St. Louis, Nov. 16-19.

Annual Peabody Awards luncheon will be held April 2, Hotel Roosevelt, N. Y., by Radio & TV Executives Society. Awards chairman Bennett Cerf and Dean John E. Drewry of U of Ga. Journalism School will make presentations.

Independent WTTG, Washington (Ch. 5) DuMont-owned, starts March 10 to carry live telecasts of Senate rackets hearings 10 a.m.-3:30 p.m., showing films of any later activity at 8-9 p.m.

MBS Affiliates Advisory Committee meets in Washington March 28. Chairman Armand Hammer, who recently took over post of pres. from Paul Roberts (Vol. 9:14), will explain top-level executive changes and plans for future.

Washington TV-Radio Correspondents Assn. annual dinner will be held March 29 in Sheraton-Park Hotel. Vice President Nixon will be guest of honor.

Academy of TV Arts and Sciences will present the industry's "Emmy" awards April 15 at Los Angeles' Coconut Grove.

Do You Know That . . .

OF THE HOBBYISTS we know in the broadcasting business, the most varied in his pursuits — and perhaps the most prolific — is **Walter J. Damm**, founder-gen. mgr. of the *Milwaukee Journal's* WTMJ-TV & WTMJ, chairman of NBC-TV Affiliates Executive Committee, one-time pres. (1930-31) of NAB, longtime leader in industry affairs. Currently, his interest is focused on handworked silver and copper jewelry—and the products he turns out are something for the book. He makes lovely necklaces, earrings, filigree and beaten silver brooches with the finesse of a professional.

Not long ago, it was shell jewelry that occupied Damm's spare time, and before that he and Mrs. Damm were absorbed in breeding Pekinese dogs. For many years, too, they devoted their leisure to raising orchids in their own hothouse. Also ardent orchidists, incidentally, are **Basil Cooper**, the FCC examiner, and his wife.

Oddest hobbies we know are those of **Ben B. Saunders**, owner of KICD, Spencer, Iowa. His pride and joy is a 1916 Pierce-Arrow fire engine, for which he paid \$250, and he'll rush it to a fire at the drop of a volunteer's bucket. Until recently, he was half owner of a 72-year-old steamboat of the Mark Twain era that plied nearby Lake Okaboji. His model railroad is possibly the most extensive one in America owned privately; it has 95 engines, 650 cars, 2200 ft. of tracks. He's also a collector of Indian jewelry, always wears an Indian belt buckle with 156 inlays.

* * * *

Fulton Lewis Jr., the commentator, builds church organs as a pastime; he has just finished one with 61 stops which he donated to St. David's Episcopal Church, Washington. It's worth \$27,500, took 5 years to build. Lewis is an accomplished pianist and organist, having worked

Harris Hearing—No End in Sight: Other FCC commissioners are in for an uncomfortable time, probably during the week of March 10, before House subcommittee investigating "improprieties" in the Federal regulatory agencies (see p. 2)—but a lot of people are going to be surprised if inquiry elicits anything like the revelations which produced Comr. Mack's resignation this week. Presumably, each member who voted for National Airlines in Miami Ch. 10 case will simply defend his vote on basis of reasons listed in the official final decision. Rep. Harris, chairman, hasn't indicated whether Commission will be queried on other contested cases.

Mack's resignation, which came March 3, was inevitable. He wrote President Eisenhower: "Perhaps I should have been more careful in the handling of my personal affairs, but I have not violated my oath of office in this instance or in any other during my career in public life . . . I feel in my heart that I have done no wrong and my conscience is clear." President accepted immediately, writing "[I] agree with you that your usefulness as a member of the Commission is so seriously impaired that you are wise to tender your resignation."

his way through the U of Virginia (Class of '24) playing for the silent movies in the Lafayette Theatre.

Dr. Burton Browne, pres. of the Chicago ad agency bearing his name, which specializes in electronics accounts, has turned his "Gaslight Club," an atmosphere rendezvous, from a hobby into a highly prosperous business; they're in Chicago & N. Y., planned for Washington & Paris.

Howard Chernoff, the ex-W. Va. broadcaster, formerly gen. mgr. of KFMB-TV, San Diego, retired a few years ago to devote his time to the city's zoo, of which he's a trustee and donor; he's also advisor to a tribe of Arizona Indians, and he's an amateur magician of considerable skill. Another magician, who gets paid for personal appearances, is news editor **Porter Randall**, of KFJZ, Ft. Worth. Also an expert at card tricks is **Norman Gittleson**, gen. mgr. of WMUR-TV, Manchester, N. H.

Among the Washington TV-radio attorneys, **Henry (Buck) Weaver** raises rare Irish wolfhounds; **Arthur Scharfeld** collects Chinese jade, porcelain and other Oriental art; **Paul M. Segal**, a gourmet, is an expert in Chinese cookery, can even bone a duck; **Lester Cohen** paints in oils and water colors, expects to have his own show soon; **Morton Wilner** is a bird-watcher, with his 3 young sons; **Seymour (Sy) Krieger**, whose fame as an Amherst varsity center (Vol. 14:3) included staying the entire 60 minutes of a game with Harvard which Amherst lost 60-0, is a superb wood-worker, builds fine furniture; **Ben Cottone**, ex-FCC gen. counsel, is a "bug" on foreign cars, currently owns an Alfa-Romeo sports model and Jaguar family car.

Station broker **Allen Kander** collects paintings. ANPA counsel **Elisha Hanson**, once prominent in newspaper-radio cases, raises pigeons. And NAB radio v.p. **John Meagher** is self-proclaimed rummy champion of the industry!

Editor's Note: We'd like to hear more from our readers about their own unique hobbies and those of their friends in the TV-radio fields.

Mack is due to return to Harris hearing witness chair March 12, his appearance this week being delayed because of what his attorney Wm. Porter termed "state of shock" and "nervous exhaustion." Rep. Harris has urged him to come back and spill everything he knows.

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Hearings should be faster and more coherent, now that subcommittee has unanimously named Washington attorney **Robert W. Lishman** as \$14,800-year counsel, succeeding the kicked-out **Dr. Bernard Schwartz**. The 54-year-old Lishman was born in Boston, was graduated with honors from Harvard Law School, first practiced law in New York, where he became asst. corporation counsel in 1934. He came to Washington in 1942 as counsel for RFC, started private practice in 1944. His law firm, Harter, Calhoun, Lishman & Williams, has handled cases before regulatory agencies, though none before FCC.

Schedule of witnesses in resumption of hearing 10 a.m. March 10 in Caucus Room, Old House Office Bldg.—always subject to change: Miami attorney **Thurman A. Whiteside**; **A. Frank Katzentine**, owner of WKAT, Miami, a loser in Ch. 10 case; Comr. Mack; other FCC members, including ex-chairman **George McConaughy**. Also likely to be called is **Col. Gordon Moore**, Mrs. Eisenhower's brother-in-law, who has denied having anything to do with helping National Airlines win Ch. 10 and has offered to repeat denial under oath.

With Mack gone, some Senators and Congressmen are demanding that Ch. 10 decision be voided—with WPST-TV

presumably to continue operating under some trusteeship arrangement. Such demands have been made by Sen. Monroney (D-Okla.), Sen. Neuberger (D-Ore.) Rep. Moulder (D-Mo.), Katzentine, whose appeal of decision is pending in Court of Appeals, may ask Court to void grant; other 2 losers, L. B. Wilson Inc. and North Dade Video, may do same. Losers in other decisions in which Mack voted for winner may seek similar wedge to reopen cases.

* * * *

Some real political heat was generated this week—before House Speaker Rep. Rayburn (D-Tex.) squelched it. National Airlines pres. G. T. Baker, no meek witness, demanded that Harris group get testimony of several Democratic Senators involved in Ch. 10 case—Smathers & Holland (Fla.), Kefauver (Tenn.), Magnuson (Wash.), Monroney (Okla.). The accused Senators denied attempting to “influence” FCC, said they merely urged Commission to vote on “merits” of case or (in the instance of Magnuson & Monroney) to decide that as a matter of policy that no franchised airline is entitled to a TV grant.

Harris said Senators could testify if they chose. Senators said they'd testify if “invited.” Rayburn stopped this reluctant Democratic Alphonse-Gaston act by stating: “We are not going to ask them to come over here. We can't get started on that. If a Senate committee called me, I'd tell them to go dig potatoes, deep.” He said Senate has its own investigating committees and that Senators can use their own floor to say whatever they please.

President Eisenhower was again queried on subject this week. “There must be certainty,” he said, “that these so-called independent commissions are really independent . . . I think it is a very tragic thing for the U.S. to begin believing that someone that has got a real top-flight lobbying outfit and knows how to reach somebody is getting the kind of decision that it wants in the case.”

Republican National Committee sought to get a little campaign mileage out of the affair by noting that Senators Smathers & Holland gave Mack fine endorsement when he was nominated and “waxed increasingly eloquent in laying claim to Mr. Mack as one of their very own.”

National Airlines pres. Baker and counsel Alexander Hardy did good job of defending themselves, sticking to basic story that they didn't hire Whiteside to “influence” Mack; that if Whiteside did anything for Airlines it was without their knowledge. Baker declared: “Don't try to put around my neck the activities of Mack and Whiteside.” He asserted that Mack had been “crucified” while Senators got off free. And he made point of fact that Mack didn't vote for applicants for which Whiteside had worked in Miami Ch. 7 and Charlotte Ch. 9 cases.

ASCAP-BMI dispute will bring an imposing array of musical, theatrical and literary talent before the Senate Commerce subcommittee March 11-20 to testify in favor of the Smathers bill (S-2834) to divorce broadcasters from music publishing and recording business (Vol. 14:8). Witnesses include: March 11—Oscar Hammerstein II; Dr. Louis Pichierra, director of music, Providence schools; Prof. Arlan Coolidge, chairman of the dept. of music, Brown U; Arthur Schwartz, composer; Joan Whitney, composer. March 12—Vance Packard, author; Eddie Dowling, actor. March 13—Dr. Edward Hanson, director, Eastman School of Music; Kim Cannon, composer; Eddy Rogers, composer; Dr. Douglas Moore, prof. of music, Columbia U. March 19—Mrs. Du Bose Heyward, author & playwright; Rex

Among the wild, unguided missiles launched from the investigation was comment this week from Rep. Moulder that Commission has written TV equipment specifications so as to give “monopoly” to a few manufacturers. “Other suppliers,” he charged, “have patents on such technical equipment and processes which are equally as good and at a much cheaper price, but they are frozen out by the specifications.”

As any FCC or industry engineer can testify, technical standards for both black-&-white and color resulted from joint effort of all manufacturers interested, working for years through National TV System Committee. Agreements on standards have been virtually unanimous—with no dissent from even the bitterest of patent enemies, such as RCA & Philco. And no manufacturer has ever complained that standards foreclosed it from making better or cheaper equipment.

Rep. Moulder's cockeyed complaint, however, serves to point up: (a) That a member of Congress can break into print with any sort of charge, based on real or fancied grievances, in the present climate of the FCC. (b) That disgruntled people, whether defeated applicants or manufacturers unable to live up to FCC-required specifications, are still inclined to run to their Senators and Congressmen for support.

On the other hand, the record of Senatorial interferences in semi-judicial cases thus far disclosed may have the effect of making Capitol Hill people extremely chary henceforth about exerting undue pressures—perhaps even about making charges without previous investigation.

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Inevitable aftermath of current imbroglios involving FCC will be rash of proposals for reform, disputes on merits. This week, for example, Harvard administrative law prof. Philip C. Neal suggested that FCC licensing of TV stations “ought to be subject to competitive bid, just the way govt. contracts are.” Said he in interview on Boston's WGBH-TV (Ch. 2, educational): “I don't suppose we would think of giving away all leases on public land and yet here we're giving away TV licenses that are just about that valuable.” In Washington, Committee for Competitive TV (John E. English, chairman) disputed CBS pres. Frank Stanton's statement at FCC network hearing that it's now “too late” to develop uhf. It said “present non-competitive situation with monopolistic characteristics will be retained unless (1) the FCC initiates rule-making looking toward a switch to all-uhf . . . over a period of 10 years or less, or (2) the FCC reduces mileage requirements between vhf stations and reduces their powers to accommodate more frequencies in areas where channels will not fit at the present time.”

Stout, author; Booton Herndon, writer. March 20—Paul Creston, composer; John Schulman, copyright lawyer. Committee stated others to testify (no date set) include Gov. Clement of Tenn.; Sammy Kaye, Gene Autry, Jane Pickens, Eddy Arnold, Ray Bloch. Committee attaches say opponents of the Smathers bill, including broadcasters, will be heard sometime after April 15.

Screen Actors Guild sought strike authorization this week from members in contract dispute with producers of TV film commercials, ballots to be returned by March 18. Bargaining for higher pay scales since Jan. 20, union argues they are justified by “phenomenal” growth of TV industry since first agreement on commercials was won in 1953 following 12-day strike.

WMTV, Madison, Wis. (Ch. 33) is being sold by WTVJ Inc. interests (Mitchell Wolfson) to Lee P. Loomis group for \$399,333 (including \$288,333 still owed founding Gerald A. Bartell family), according to application filed this week with FCC. Sellers acquired station last year from Bartell family for \$350,000 plus a \$200,000 option on buildings and land. The option also is to be turned over to new owners (Vol. 13:30). Buyer is new Forward Television Inc., owned 51% by Lee Radio, licensee of KGLO-TV, Mason City, Ia. (Ch. 3), 49% by Lee Bestg., licensee of KHQA-TV, Hannibal, Mo.-Quincy, Ill. (Ch. 7). Ownership interlocks with Lee newspaper chain which includes *Mason City Globe-Gazette*, *Hannibal Courier Post*, *La Crosse (Wis.) Tribune*, latter 27.5% owner of WKBT-TV, LaCrosse (Ch. 8). After transfer, Herbert R. Ohrt will be pres. & gen. mgr. of WMT, also gen. mgr. of KGLO-TV & KHQA-TV, headquartering in Mason City. Walter J. Rothschild, national sales mgr. for all new stations, will continue to headquarter in Quincy, Ill.; Merritt Mulligan moves from KHQA-TV to become WMTV station mgr.; Donald G. Harrer, WMTV operations mgr., moves from KGLO-TV. The WMTV Jan. 31 balance sheet shows \$33,829 loss to date, current assets \$58,638, current liabilities \$43,799, property & equipment \$319,307, fixed liabilities \$368,333. Note: Way is now clear for WTVJ Inc. to take over option on 40% of WLOS-TV, Asheville, N. C. (Ch. 13) and bring holdings there to approximately 80%—N. C. court having approved transfer of option from Charles & Roger Peace, despite protests. Peace family owns *Asheville Citizen and Times* and *Greenville (S.C.) News-Piedmont*, latter holding 48% of WFBC-TV, Greenville (Ch. 4). Previous WTVJ stock purchases from minority owners and purchase of option involve approximately \$1,000,000. Broker for sale of option and most of stock purchases was Blackburn & Co.

KFBB-TV, Great Falls, Mont. (Ch. 5) with radio KFBB is being sold for \$600,000 to Z-Net (E. B. Craney, pres. & principal owner) and Idaho Radio Corp. (A. W. Schwieder, pres., 7.3%), according to application filed with FCC, rather than to Craney & Schwieder personally, as reported earlier (Vol. 14:5). Craney operations include KXLF-TV, Butte (Ch. 4), with satellite KXLJ-TV, Helena (Ch. 12) and 5 Montana AMs. Idaho Radio Corp. operates KID-TV, Idaho Falls (Ch. 3) & KID. Taking over Great Falls stations from Joseph P. Wilkins and associates is new Cascade Services Inc., with Craney as pres., Schwieder as v.p., Z-Net and Idaho Radio as 49.98% owners each. KFBB-TV operating report dated Oct. 31, 1957 shows net operating profit of \$111,638 for year to date after expenses of \$182,835. Combined Oct. 31 balance sheet for TV-AM shows \$375,555 surplus, current assets \$201,003, fixed assets \$208,597, liabilities \$47,535, capital stock \$70,000.

WKXP-TV, Lexington, Ky. (Ch. 27), which began operation last Sept. as WLAP-TV, may shortly be sold along with radio WLAP, Lexington. Price and buyers are undisclosed, but Cincinnati newspapers this week indicated Hulbert Taft Jr., pres. of WKRC-TV there and holder of interests in TV stations in Columbus, Birmingham & Knoxville (see *TV Factbook No. 26*), is involved in negotiations being conducted by broker R. C. Crisler.

Stanley Hubbard's KSTP Inc., St. Paul, this week purchased radio WGTO, Cypress Gardens, Fla. (10-kw D, 540 kc), near Winter Haven, for \$175,000, thru broker Blackburn & Co. He bought it from KWK Inc., St. Louis.

Sale of WATV, N. Y.-Newark (Ch. 13) with WAAT to National Telefilm Assoc. for \$3,500,000-plus (Vol. 13:49-51) is just about in the clear—with this week's withdrawal of much-publicized proposal of N.Y. Board of Regents to step in and buy the station. FCC granted Regents' request that its petition to get Ch. 13 labeled "educational" be dismissed. Jacob L. Holtzmann, chairman of Regents TV committee, didn't give reasons for pulling out but said: "We are working on new plans and hope to make an announcement soon." Speculation is that some arrangement is being made for acquisition of time on commercial station. Good guess is that Regents pulled out because it didn't have money to buy and had serious doubts about winning prospective legal battle. It's believed FCC majority favors NTA purchase, but deal is undergoing routine Justice Dept. examination. FCC approval of sale should come soon, since contract expires March 31.

San Francisco's radio KYA (5-kw D, 1-kw N, 1260 kc) fetches \$1,000,000 in sale by owners J. Elroy McCaw and John Keating to Gerald Bartell group, approved by FCC March 5. Bartell lineup also includes WOKY, Milwaukee; KRUX, Glendale, Ariz.; WYDE, Birmingham; WILD, Boston; KCBQ, San Diego; WAKE, Atlanta. Keating & McCaw also own 50% of KONA, Honolulu (Ch. 2), 50% of KTVR, Denver (Ch. 2), 100% of radio WINS, N. Y. McCaw also owns KTVW, Tacoma (Ch. 13), has interests in radios KELA, Centralia, Wash.; KALE, Richland, Wash.; KDAY, Santa Monica, Cal. [For other radio station transfers, see *AM-FM Addenda J.*]

Harry Pollock will control KNAC-TV, Ft. Smith, Ark. (Ch. 5), FCC this week having approved purchase of 50% from George T. Hernreich for \$175,000, which will boost his stock interest to 83.33% (Vol. 14:6). Hernreich acquired his stock from Salome Nakdimen for \$75,000 plus assumption of \$75,000 in obligations. After this sale to Hernreich, Pollock bought 33.33% and his family-owned Harry Newton Co.'s 16.67% from Mrs. Nakdimen for \$61,500. Pollock also agreed to lend station \$125,000 (Vol. 13:19, 26).

Transfer of KOCO-TV, Enid-Oklahoma City (Ch. 5), formerly KGEO-TV, to new Caster-Robison Television Corp. (Vol. 14:7, 8) was approved this week by FCC. L. E. Caster, ex-pres. of WREX-TV, Rockford, is reducing holdings from 75% to 41.5%; Ashley L. Robison retains 25%; Phil Banta, ex-pres. of KGEO-TV, regains 10%. Remaining stock will be held by following Rockford businessmen: Scott Webster, 10%; Frank Franzen and Ken K. Clark, 5% each; Joe Baisch, gen. mgr. of WREX-TV, 2.5%; Clint Maslen, 1%.

Mary Pickford and husband Charles (Buddy) Rogers are buying radio KFBI, Wichita, for \$450,000 from gen. mgr. Hale Bondurant (50%) and Henry & Elmer Balaban (50%), latter also part owners of WTVO, Rockford, Ill. (Ch. 39) and WICS, Springfield, Ill. (Ch. 20) as well as of radios WIL, St. Louis & WRIT, Milwaukee. Broker: Hamilton, Stubblefield, Twining & Assoc.

Three applications for TV stations were filed with FCC this week, bringing total to 123 (32 uhf). Applications: For Bakersfield, Cal., Ch. 17, by local group headed by owner of KLYD there; for West Sacramento, Cal., Ch. 40, by group of Sacramento sales execs., for Wailuku, Maui, Hawaii, Ch. 8 satellite of KHVH-TV, Honolulu (Ch. 13), owned by Henry Kaiser's Hawaiian Village. [For details, see *TV Addenda 26-F* herewith.]

Upturn in Bartlesville? "Customer comeback" to first wired subscription-TV system in Bartlesville, Okla. was reported cautiously this week by Video Independent Theatres pres. Henry S. Griffing as result of rate & other changes designed to halt wave of home cancellations (Vol. 14:7).

"We feel we have a good chance now of coming through our first crisis stronger than ever, but we're not yet ready to shout 'Hallelujah,'" Griffing told United Theatre Owners of Okla. convention in Oklahoma City.

He said number of subscribers had mounted to about 600 since revamped schedules were announced, effective March 1. Three weeks earlier they had dropped to about 300 from high of 531 in 6 mo. of operation. System-saving measures included: (1) Price cut to \$4.95 from \$9.50 monthly. (2) Movies on one of 2 channels, Muzak on other. (3) Sunday art films. (4) Community antenna service for Tulsa's 3 regular channels.

"When we started this program we predicted it would take at least a year to find out whether telemovies are economically feasible," Griffing reminded movie exhibitors. "We haven't found any reason to change that prediction.

"We're like chemists looking for an unknown formula. We are trying various combinations of ingredients to see if we can find a profit potion that will prove an antidote to the boxoffice poison [free movies on TV] that has afflicted our theatres."

Griffing said "some of the things we think we know

First Soviet TV contract under new U. S.-USSR trade agreement (Vol. 14:8) was reported signed this week by Ziv International, whose pres. Ed Stern flew into London after 5-day negotiations in Moscow for Russian showings of *Sea Hunt*, *Science Fiction Theatre*, *Favorite Story*. Comedian Bob Hope obtained Soviet visa for trip to Moscow, starting March 14, to film TV show there—with Russian girls in it, he hoped. U. S. TV networks were reported planning to film other shows in Russia, but no firm schedules had been set at week's end, and State Dept. announced no developments in direct TV-radio negotiations with Soviet representatives on diplomatic level.

TV Legion of Decency to evaluate films on home screens—particularly those from pre-1948 movie packages—probably will be organized by Bishops Conference, according to *Catholic Standard*, official organ of Washington (D. C.) diocese. Church authorities earlier saw little need for special Catholic agency to carry out encyclical by Pope Pius XII on TV-radio censorship (Vol. 13:50). But diocesan publication indicates Bishops now plan TV film-rating system more rigid than that applied to theatrical movies by Legion of Decency. Reason: features made 10 years or more ago may be suitable for adult audiences but not for home showings.

Columbia Pictures, reflecting declines in other sectors of movie industry (Vol. 14:6), reports net loss of \$395,000 in 2nd fiscal quarter ended Dec. 28, 1957 vs. net income of \$486,000 (39¢ per share) in same period year earlier. For 6 months ended Dec. 28 loss was \$820,000 vs. earnings of \$1,329,000 (\$1.11) in previous half year.

Allied Artists earned \$172,000 in 26 weeks ended last Dec. 28 vs. loss of \$452,000 in first fiscal 6 mo. year earlier. No provision for Federal income tax was made in June 30-Dec. 28, 1957 period because of loss carry-forward.

now" about wired-TV are: (1) Price must be low. (2) "Fair" contract for utility poles is necessary. (3) System must offer more than movies so long as free films can be seen in quantity. (4) Telemovies idea can't sell itself; viewers must see performance. (5) Any movie produced in recent years seems new to most subscribers who had been going to theatres infrequently or not at all.

Meanwhile, Los Angeles city council voted 10-5 to repeal ordinances granting wired pay-TV franchises to Paramount-owned International Telemeter Corp. and Skiatron, which had requested action to forestall citizens' referendum on issue in June (Vol. 14:9).

Council originally voted 8-6 for ordinances, but all hands agreed in debate at this week's session that pay-TV would meet crushing defeat in any referendum—to which all ordinances are subject in Los Angeles if enough petitions can be obtained.

Following repeal of city franchises, chairman Julius F. Tuchler of anti-pay-TV citizens' committee announced he'd start a statewide initiative (requiring 322,000 signatures) for law banning toll-TV anywhere in Cal.

Washington pay-TV fronts were relatively quiet following formal agreement by FCC to postpone processing of any applications for trial operations until 30 days after 85th Congress adjourns (Vol. 14:9). Chairman Harris (D-Ark.) of House Commerce Committee said, however, that he'd press Commission for further postponement of any tests if Congress fails to act on controversy this session.

Theatres vs. TV Movies: Two more studios—Columbia Pictures & Walt Disney Productions—lined up this week with Theatre Owners of America in exhibitors' campaign to keep post-1948 feature movies off TV screens, joining such other recent recruits as MGM & 20th Century-Fox (Vol. 14:6).

TOA pres. Ernest G. Stellings announced he had obtained this pledge from Columbia distribution v.p. Abe Montague: "It is the policy of Columbia Pictures that they are not interested in making any further sales of feature pictures to TV at the present time, nor do they have any plans for the future, and possibly never."

At same time, pres. Leo F. Samuels of Disney's Buena Vista releasing agency said that Disney theatrical films *Snow White*, *Cinderella*, *Bambi* won't be given to TV. Policy goes for pre-1948 as well as post-1948 movies, he said. Disney reasoning is simple: Theatrical reissues of children's film classics every 5-7 years are practically sure-fire for paid admissions.

Movie trend was not all away from TV, however. Paramount Pictures, which last month sold \$50,000,000 pre-1948 feature package to MCA subsidiary Management Corp. of America (Vol. 14:6), plans to enter TV film production in summer. Subsidiary Paramount Sunset Corp. will develop TV film series based on successful theatrical features—*Conquest of Space*, *Shane*, *Perils of Pauline*—according to v.p. & gen. mgr. James A. Schulke.

TV revenues accounted for big income increase of Republic Pictures in quarter ended Jan. 25, for which it reported profit of \$911,725 (41¢ per share) vs. \$219,483 (6¢) in 1957 period. In fiscal year ended last Oct. 25, Republic had operating loss of \$1,863,420 before tax credit of \$500,000; in report for that year, pres. Herbert J. Yates predicted substantial quarterly earnings in 1958 as revenues from films sold to TV offset boxoffice decline.

FTC RULE ON TV ADS EXPECTED SOON: Renewed speculation over ultimate Federal Trade Commission rule on advertising TV tube screen sizes arises from continued postponement of hearings on pending complaint against Admiral (Vol. 14:46). Informed but unquotable sources predict freely that the complaint will be settled -- and soon -- by a consent judgment. This would give FTC a precedent in law with which to force compliance by TV set manufacturers and others with Rule 9 of Trade Practice Rules for the Radio & TV Industry promulgated in 1955 (Vol. 11:27) which establishes code for advertising TV screen sizes.

Point at issue in Admiral case is whether footnotes explaining "21-in.", "21", and the like, are so small and far removed from the rest of ad copy as to constitute deception of the public and/or inadequate disclosure.

However, there are other and more important implications in the prospective Admiral settlement. Will FTC try to force manufacturers to police distributor and dealer advertising? Can dealers in intrastate commerce be brought into line on ads which they prepare themselves? We have found manufacturers' legal depts., their ad executives and agencies deeply concerned about the answers.

FTC lawyers were noncommittal in response to direct questions, but left no doubt in our minds that they are merely awaiting a favorable decision in the Admiral case to reopen the issue at the factory, distributor and retail levels. One desk we saw was piled high with ads, checked, presumably, for compliance with Rule 9.

FTC believes distributor and dealer ads can be brought into rule compliance if factory co-op advertising funds pay for any part of insertion cost, we gathered from our conversations. Or, even if the manufacturer furnishes suggested ad copy or mats as a guide to local ad copy writers.

Magnitude of policing all TV advertising is a source of major concern. If the manufacturers are convinced penalties will result from noncompliance with the rule, it may bring about standardization of screen size measurements on square inch basis. Apparently, such a result would please FTC lawyers, although they won't say so.

TV-Radio Production: TV set production was 89,466 week ended Feb. 28 vs. 86,903 preceding week & 117,891 in 1957 week. Year's eighth week brought production to 812,923 vs. 914,887 last year. Radio production was 176,851 (54,473 auto) for week vs. 194,460 (70,792 auto) in preceding week & 344,507 (131,108 auto) last year. For 8 weeks, production totaled 1,749,785 (620,612 auto) vs. 2,262,608 (1,044,483 auto).

HI-FI COMPONENT MAKERS READY MASS PITCH: High stakes in the hi-fi business -- some \$800,000,000 due at retail in 1958, probably \$1 billion in 1959 -- have both the "component" and "package" makers readying national consumer promotion programs to get their share of the market. Manufacturers of tuners, amplifiers, speakers, changers, etc., in a first major effort, are planning to break out of the tight hobbyist market and reach the general public through the same big consumer magazines favored by the package brand names.

Bigger advertising budgets and greater brand acceptance have been getting some 70% of the market for package makers, while components industry has relied primarily on reaching "the hi-fi bug" through the specialized audiophile press for its 30%.

To carry its story to the public, the component group -- 70 strong -- has banded together in the Institute of High Fidelity Manufacturers. "Our members are too small to do that job alone," Institute pres. Joseph Benjamin, exec. v.p. of Pilot Radio, told us. "Now as an industry, we are ready for the job -- but I can't give details [of the ad campaign] until March 20."

Although component business has been booming (\$160,000,000 at retail in 1956,

\$200,000,000 in 1957, and prospects of \$250,000,000 in 1958), packaged phono increase (Vol. 13:51) has been bigger in dollars and is concentrated in area above \$125 line which divides "standard" phonos from "hi-fi" phonos. Standard units have been holding steady at about \$150,000,000 a year while packaged hi-fi phonos -- especially at high-dollar and high-sound quality levels usually associated with components -- have boomed from about \$250,000,000 in 1956 to \$350,000,000 in 1957 and have prospect of a further increase to \$450,000,000 in 1958.

Whether current package phono boom (Vol. 14:9) is worrying component makers, neither Benjamin nor Edwin Cornfield, Institute exec. secy., will say. But fact is that public is obviously impressed with the package story which attacks indirectly -- and sometimes directly -- the component story. Package makers' copy concentrates on factory-matching of components in finished phonograph by professional engineers, design and assembly by factory professionals -- and "you pay only one markup" for the assembled package which fits the furniture decor of the home.

Upgrading of component distribution will be second target of coming push. Only 2143 dealers are hi-fi specialists who concentrate on component systems, Cornfield told us. On the other side of the fence are 110,000 dealers who sell radio and/or TV, according to EIA count, who can be considered outlets for package phonos. Component campaign will be built around a dealer plaque designating dealer as "certified" by the hi-fi Institute.

Ad campaign itself will "cost less than \$1,000,000" this year, Cornfield told us. Pitch will not be "anti-package," but "pro-components." Institute spokesmen insist component industry has no ill will toward package makers -- after all, "some of our members make both."

Trade Personals: Cliff Slaybaugh, RCA international sales mgr. for engineering products, flew on March 6 to attend the fifth assembly of Inter-American Association of Broadcasters convening at Punte del Este, outside Montevideo, Uruguay, March 10-14, will visit Brazilian RCA operations before returning; NAB delegates to convention are Harold Fellows and Gilmore Nunn . . . John T. Hickey promoted to asst. to Motorola pres. Robt. W. Galvin, for long range planning; Dr. Lester Hogan, Harvard U, succeeds him as mgr. of semiconductor div., Phoenix, in June . . . Glen McDaniel, ex-RETMA (EIA) pres. & gen. counsel, onetime RCA v.p., recently partner in N. Y. law firm of Lundgren, Lincoln & McDaniel, has moved to Los Angeles where he is now v.p., Litton Industries Inc., 336 N. Foothill Rd., Beverly Hills, Cal. . . . Harry M. Fackert promoted to eastern district sales mgr. of RCA semiconductor div.; George E. Reiling to central district sales mgr., Robert D. Wick to mgr. of industrial sales and acting mgr. of govt. sales; Irving H. Von Zelowitz to sales coordination mgr. . . . Donald W. Gunn promoted to sales v.p., Sylvania electronic tubes div. . . . Willard H. Sahloff, v.p. & gen. mgr., GE housewares and radio receiver div., awarded a "Loyal Son of Rutgers" pin for outstanding service to alma mater Rutgers U. . . . Dr. E. M. Baldwin, ex-Hughes Aircraft, named gen. mgr. and v.p., Fairchild Semiconductor Corp. . . . Murray T. Grode promoted to asst. gen. mgr. of Bulova Watch special products div. (radios) . . . William H. Buck, ex-Raytheon, has been named adv. mgr. for the electronics and instrumentation div. of Baldwin-Lima-Hamilton Corp. . . . Myron C. Pogue promoted to new post of mgr., market research; Paul D. Williams named asst. director of research, Eitel-McCullough, San Bruno, Cal. . . . Robert Snider named western regional mgr., Jerrold jobber products div., with offices at 12106 E. Firestone Blvd., Norwalk, Cal.

DISTRIBUTOR NOTES: Hotpoint Co. promotes Philip H. Weil to sales mgr. for HASCO, Baltimore-Washington; ex-Baltimore sales mgr. Paul M. Burtis remains in sales capacity; ex-Washington sales mgr. Chet Ludka named advertising & sales promotion mgr. . . . Ewald Distribution Co., Louisville (RCA), promotes James A. Price to gen. sales mgr.; Felix Sandman to electronics sales mgr.; Frank Secor to appliance sales mgr. . . . DuMont appoints Radio Electronics Sales Corp., Worcester, for TV-radio-hi-fi . . . Electro-Pliance Inc., Milwaukee (Philco), promotes Wm. Baker to sales mgr. for TV & appliances succeeding Wm. Seemuth who resigned as exec. v.p. without revealing future plans . . . Graybar promotes H. Bryson to mgr. at Indianapolis; A. C. Larson to mgr. at Springfield, Ill.; E. W. Windahl to asst. district mgr. at Minneapolis . . . Columbia Records appoints Strauss-Frank Co., San Antonio (Sylvania) for records & phonos replacing Medaris Co., Dallas . . . Jerrold Electronics opens midwest regional sales office in St. Louis, headed by Lou Waelterman; plans new sales & engineering offices in Amarillo, Dallas, Uvalde, Tex.; St. Paul & Dubuque, Ia. . . . Cabot Records appoints Joseph M. Zamoiski & Co., Washington-Baltimore (Zenith, Mercury records) for D. C., Baltimore & Richmond . . . Symphonic Radio & Electronics appoints Graybar, Los Angeles, replacing J. N. Caezan Co. . . . Olympic Radio appoints Lew Bonn Co., Minneapolis, for parts of Wis., Minn., N. D. . . . GESCO, N. Y., names Ken Emmer, ex-GESCO, Newark, as head of advertising & sales promotion, succeeding John Anderson, now with rep R. P. Hussey . . . American Geloso, N. Y., U. S. sales rep for Geloso Italian tape recorder appoints Electronic Distributors, Schenectady; Radio Parts, Pittsburgh; Ward Harris Co., San Francisco; Payette Radio Ltd., Montreal.

Dr. Alfred H. Williams, ex-pres. of Philadelphia Federal Reserve Bank, elected director of International Resistance Co., Philadelphia.

Financial Reports:

Fund Portfolio Changes: Television-Electronics Fund reports net assets of \$146,105,143 and 14,248,589 shares outstanding in 1st fiscal quarter ended Jan. 31 vs. \$135,100,234 and 13,038,227 in preceding quarter. During 1st quarter these were changes in its portfolio:

New stocks added: 10,000 shares Hewlett-Packard, market value \$231,250; 3000 Union Carbide, \$276,000.

Stocks eliminated: 7500 Chance Vought Aircraft, market value \$196,875; 17,000 Elgin National Watch, \$133,875.

Holdings were increased in Babcock & Wilcox, Columbia Pictures, Corning Glass, Curtiss-Wright, Dictaphone, Douglas Aircraft, Electronics Assoc., Fansteel Metallurgical, Food Machinery & Chemical, Friden Calculating, GM, General Precision Equipment, Goodyear, Hoffman, Liquidometer, Magnavox, P. R. Mallory, Philco, Sperry-Rand, Stewart-Warner, Storer Bcstg., Taylor Instrument, Telecomputing, Tung-Sol, United Aircraft, United Utilities, Vitro.

Part of holdings were sold in Addressograph-Multigraph, AB-PT, Beckman Instruments, Bell & Gossett, Bendix Aviation, Boeing Airplane, CBS "A," Dresser Industries, Eastman Kodak, Eitel-McCullough, General Railway Signal, General Tire & Rubber, Giannini, Hammond Organ, Hazeltine, International Nickel of Canada, Litton, Lockheed Aircraft, Martin, W. L. Maxson, Motorola, North American Aviation, Northrop Aircraft, Oak, RCA, Reliance Electric & Engineering, Ryan Aeronautical, Square D, 20th Century-Fox, Zenith.

Unchanged during quarter were holdings in ACF Industries, Admiral, Aerojet-General, Allegheny Ludlum, Allis-Chalmers, American Bosch Arma, American Chain & Cable, American Machine & Foundry, AT&T, Ampex, Amphenol, Barry Controls "B," Bullard, Bulova Watch, Burroughs, Carborundum, Carrier, Cincinnati Milling Machine, Clark Controller, Clevite, Conrac, Consolidated Electro-dynamics, Consolidated Electronics, Cornell-Dubilier, Cutler-Hammer, DuMont Labs "A," DuPont, Eastern Industries, Eaton Mfg., Elox, Emerson Electric, Ex-Cell-O, Garrett, General Bronze, General Dynamics, GE, General Mills, General Telephone, Globe-Union, Harris-Intertype, Indiana Steel Products, Industrial Electronics, IBM, IT&T, Johnson Service, Leeds & Northrup, Machlett Labs, Marchant Calculators, Mergenthaler Linotype, Minneapolis-Honeywell, Minn. Mining & Mfg., National Acme, National Cash Register, Neptune Meter, Otis Elevator, Paramount Pictures, Penn Controls, Pullman, Robertshaw-Fulton, Royal McBee, Servomechanisms, Sprague Electric, Statham Instruments, Sylvania, Technicolor, TelAutograph, Television Assoc., Texas Instruments, Thompson Products, United-Carr Fastener, Varian Assoc., Walt Disney Productions, Westinghouse Air Brake, Westinghouse Electric.

Tung-Sol's 1957 sales went up to \$64,106,913 from \$53,838,822 in preceding year, total including 7½-mo. revenues (\$6,280,012) of Chatham electronics div. acquired in May and a major producer of power & hydrogen thyratron tubes, aircraft power supplies, selenium rectifiers, radiation detection equipment. The rate of 1957 gain made even without Chatham should be carried through 1958, according to March 1 report by chairman Harvey W. Harper and pres. Louis Rieben. Net earnings were \$3,129,916, or \$3.31 per share, on 893,502 shares outstanding; this included \$339,031 earned by Chatham. The 1957 profits compared with \$2,909,397 (\$3.83 on 704,931 shares) in 1956. Per-share earnings decline was due in part to increased shares and also "to failure of price increases to match the pace of rising costs." Proxy statement for March 25 annual meeting discloses pres. Rieben's salary at \$49,833, his stockholdings 11,774 common shares; exec. v.p. Milton R. Schulte's salary \$38,026, stockholdings 3186 shares; v.p. Donald Harper's salary \$37,378, stockholdings 4783 shares; v.p.-treas. H. Merle Darling's salary \$36,961, stockholdings 3605 shares. Chairman Harper holds 87,397 stockholdings 3605 shares. Chairman Harper holds 87,397.

Pacific Mercury, manufacturer of Sears, Roebuck Silvertone label TV sets in addition to electronic organs & electrical components, earned \$286,000 (41¢ per share) on sales of \$10,690,419 in 6 mo. ended last Dec. 31. No comparison with same period year earlier available because of change in fiscal accounting, but company earned \$557,754 (80¢) in year ended June 30, 1957 (Vol. 13:41).

Litton Industries' planned acquisition of Aircraft Radio Corp. (Vol. 13:52) has been called off, joint announcement by companies stating number of Aircraft Radio shares deposited for exchange didn't meet 80% requirement.

PROXY STATEMENT for RCA's annual meeting in N. Y. May 6 disclosed that new RCA pres. John L. Burns was engaged March 1, 1957 under 10-year contract at salary of \$150,000 first year and increase of \$12,500 annually until rate of \$200,000 is reached. He holds 250 shares of RCA common stock. Other officer-director 1957 salaries, fees & stockholdings: Frank M. Folsom, ex-pres., now chairman of exec. committee, \$165,000 with retirement June 1, 1959 and 5-year contract thereafter as consultant at \$25,000 a year (holds 13,557 shares of stock); Elmer W. Engstrom, senior exec. v.p., \$110,000 (1573 shares); Harry C. Hagerty, director & chairman of finance, incentive & stock option committee, \$16,600; George L. Harrison, director & chairman of contributions & salaries committee, \$6800 (1000); Mrs. Douglas Horton, director & consultant, \$6550 (400); Harry C. Ingles, retired v.p. & consultant, \$13,550 (100); Charles B. Jolliffe, v.p. & technical director, \$72,500 (1224); Edward F. McGrady, retired v.p. & consultant, \$18,500; Charles M. Odorizzi, exec. v.p., sales & services, \$100,000 (1426); David Sarnoff, chairman, \$200,000 (15,000); Robert W. Sarnoff, director of RCA & pres. of NBC, \$125,000 (651); Walter Bedell Smith, director & member of exec. committee, \$16,300 (100). John T. Cahill, director (500 shares), drew \$2850 in director fees, and firm of Cahill, Gordon, Reindel & Ohl, of which he's senior member, received \$350,000 for legal services. John Hays Hammond Jr., director (100 shares), drew \$1100 and his research lab received \$60,000 for 1957 and \$15,000 for first 3 months of 1958. New director Paul M. Mazur, partner of Lehman Brothers, bankers, is shown as owning 700 shares, new director Andre Meyer, of Lazard Freres & Co., 10,000 shares.

Raymond A. Rich's compensation as pres. of Avco for the 1957 period he served in that job, after quitting as Philco appliance div. v.p. was \$96,428, according to Avco's proxy statement for April 13 annual meeting in Wilmington. Other major officer-director salaries and stockholdings: Victor Emanuel, \$150,000 (26,000 common shares); James D. Shouse, chairman, Crosley Bcstg. Corp., \$87,500 (4050 shares); Kendrick R. Wilson Jr., pres., \$77,517 (2500); Lloyd P. Smith, v.p. & pres. of research & advanced development div., \$73,333 (1500); Arthur R. Kantrowitz, v.p. & director of Avco research lab, \$70,000 (11,000); Matthew A. McLaughlin, v.p. & gen. counsel, \$63,124 (1075). During year, Emanuel was granted option to purchase 50,000 shares, Wilson 18,000, Shouse 5000, McLaughlin 5000—Emanuel at 6½%, others at 5%.

Electronics Corp. of America sales in 1957 were \$8,037,533, up 15% from \$6,973,305 in 1956. Net profit was \$182,653 (22¢ per share) vs. net loss of \$476,467 preceding year. Current assets on Dec. 31 were \$5,188,307, current liabilities \$1,086,334. Proxy statement for March 26 annual meeting in Cambridge, Mass. discloses pres. Arthur G. B. Metcalf's 1957 remuneration as \$48,750, stockholdings 135,999 shares out of 707,428 outstanding; senior v.p. John A. Long, \$45,000 (136,000 shares); operations v.p. Burton E. Shaw, \$35,000. ECA v.p. Dr. Harlow F. Avery, owner of Trans-Pecos Clinic, Pecos, Tex., holds 95,000 shares, auto man Jack Chrysler holds 100 shares of common and \$50,000 of 5% convertible debentures due Dec. 1, 1975.

Dividends: Erie Resistor, 5¢ payable March 15 to stockholders of record March 5; Corning Glass, 25¢ March 31 to holders March 14; Decca Records, 25¢ March 31 to holders March 17; Arvin Industries, 50¢ March 31 to holders March 10; RCA, 25¢ April 28 to holders March 17.

Price Cutting Skips Radios: Prairie fire of price cutting that swept small appliance retail market last week—following abandonment of “fair trade” March 26 by GE, Sunbeam, Schick, Ronson and a host of other manufacturers—left small radios comparatively unscathed. Our spot check of major manufacturers, distributors and big dealers shows that the public enjoyed a field day in toasters, mixers, electric blankets, shavers, etc., but that radio prices held up well under tremendous pressure. Radio sales are good, prices as firm as they were a month ago in most markets.

RCA spokesman said there's no evidence “yet” that end of fair trade has seriously affected radio prices generally. “But it will be a week before we know for sure,” he said. Philco reported “no appreciable impact” from price cutting, added it is “working hard to meet heavy distributor demand for new line.” Benjamin Abrams, Emerson pres., described price cutting spree as a “7-day wonder,” said N. Y. distributor reported increased sales.

Midwest radio sales have not been materially affected, Admiral said, “but orders from east coast have boomed.” In far west, price cutting was less prevalent. Major outlets looked for a move upward in week or 10 days.

Big dept. stores and discounters revelled in store traffic generated by the price cutting; small retailers—most likely to get hurt—took a wait-and-see attitude, tried to hold prices. Some pulled merchandise off shelves.

Fate of Federal fair trade legislation in Congress remained in doubt, may have been hurt by GE's action. Harris bill (HR-10527), now in House Commerce Committee (Vol. 14:9), was dormant, no action scheduled. Lawyers for Senate Small Business and Commerce committees took dim view of Harris bill, contending it would clear the way for “widespread price fixing by making ineffective Section One of the Sherman Anti-Trust Act.” Although avoiding comment, Justice Dept. is expected to maintain its opposition to any Federal fair trade legislation.

Color Forging Forward: New York, Los Angeles, Philadelphia, Indianapolis—in that order—led the nation in color TV sales, with Indianapolis ahead of N.Y. and L.A. and nudging Philadelphia on a per-capita basis. This was report of Martin F. Bennett, RCA v.p.-merchandising, at luncheon of Indianapolis Ad Club this week, when he stated nation-wide sales of color sets so far this year are running about 50% ahead of year ago; also, that during each of last 6 weeks of 1957 RCA Service Co. color installations increased by 30% over week immediately preceding.

Color sales of 1957 are still an RCA secret, so no comparisons are available, but industry estimates are about 120,000 sets for year—most of them RCA. Bennett said RCA last year found answer to question how to develop color TV into a truly mass medium: “Exposure.” Said he:

“When you introduce the public to color TV you get the response you are looking for—interest, excitement and finally sales. I am not going to say that color is over the top. But I feel confident in saying that we are beginning to see a ground swell which, if it continues its present rate, will sweep color into the mass media market before the year is up.”

This week, Howard S. Cullman, U.S. commissioner-general for the upcoming Brussels Exposition, was dis-

Sentinel TV Discontinued: Production of TV by its Sentinel div. has been discontinued by Magnavox, which bought the company in Feb. 1956 (Vol. 12:8). Magnavox merchandising director George H. Fezell said, however: “We'll still keep Sentinel hi-fi going for distributors who aren't particularly interested in TV, but who do want a hi-fi line.” Distribution of the 6-model phono line (\$89 portable to \$289 radio-phono console) will continue thru distributors. Sentinel div. did not market radios. In letter to 37 distributors, Magnavox v.p. Leonard Cramer said that Sentinel business last year was “disappointing,” particularly TV. Sentinel move will have no effect on direct-to-dealer distribution of Magnavox or Spartan brands. Magnavox bought Sentinel, according to Cramer, because it had TV production facilities Magnavox thought would be needed for expansion into color. When color TV failed to boom, Magnavox sold Sentinel's Evanston plant and moved production to Magnavox lines at Greeneville, Tenn.

RCA pleaded not guilty in U. S. District Court, N. Y. to anti-trust indictment (Vol. 14:8), Judge Weinfeld granting 30 days for filing motions in criminal conspiracy case. Meanwhile, Justice Dept., which lost unrelated civil anti-trust suit vs. RCA & NBC growing out of Philadelphia station deal with Westinghouse (Vol. 14:2), filed anticipated formal notice of appeal directly to Supreme Court, bypassing Court of Appeals.

ELECTRONICS PERSONALS: Brig. Gen. Earle F. Cook, commander of the Army Signal Engineering Labs, Ft. Monmouth, named chief of Signal Research & Development Div., Washington, succeeding Brig. Gen. Richard J. Meyer in May . . . Dr. George L. Haller, gen. mgr. of GE defense electronics div., elected a v.p. . . Ross E. Hupp, founder of Hupp Instrumentation Co, recently purchased by Erie Resistor, named research & development mgr., Erie-Pacific div., Hawthorne, Cal. . . . Cmdr. H. R. Livingston (USN ret.) named gen. mgr. Micamold dip., General Instrument . . . George Boros, ex-Melpar, named information director of Entron Inc., Bladensburg, Md. . . . Art Linkletter, TV entertainer, and Gen. K. B. Wolfe (USAF ret.), elected directors of Cohu Electronics.

closed as having informed House subcommittee that RCA rejected Russian bid for a closed-circuit color exhibit. Instead, plan is to have one in U.S. exhibit hall, consisting of one color camera in a 450-seat theater where people can watch on color sets what actually is on stage in front of them.

Virtually all news about color TV and, except for CBS's color schedule, most of the national activity continues to revolve around RCA (Vol. 14:9). However, London UP dispatch this week reported National Research Development Corp. has new color TV tube “so thin it can be hung on a wall like a picture.” Lord Halsbury, managing director, is quoted as saying 21-in. tube is only 5-in. deep, that U.S. patents have been taken out, but that plans haven't been completed for commercial development.

Correction: Steelman listing in Vol. 14:6 Special Supplement, “Leading Manufacturers of Standard & Hi-fi Phonos,” was incorrect and should have read: STEELMAN PHONOGRAPH & RADIO CO., INC. (Div. of Herold Radio & Electronics Corp.)—2-30 Anderson Ave., Mt. Vernon, N. Y. Mount Vernon 4-1500. R. J. Kalb, chairman; P. E. Featherstone, gen. sales mgr.; H. A. Frank, national sales mgr.

COMMON STOCK QUOTATIONS

Week Ending Friday, March 7, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.
120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8					Wk.					1957-8					Wk.					
High	Low	Stock and Div.	Close	Chnge	High	Low	Stock and Div.	Close	Chnge	High	Low	Stock and Div.	Close	Chnge	High	Low	Stock and Div.	Close	Chnge	
14 3/4	6 1/2	Admiral	8 1/4	.....	37 1/2	27 1/2	IBM 2.60	337	+8 1/2	37 1/2	25 3/4	IT&T 1.80	31 1/2	+2 1/2	50 3/8	33	I-T-E Cir B	.45e	38	+1 1/2
27	16 1/4	AmBosch	20 1/4	+1	10 1/8	6 1/8	List Indust 1/4e	7 1/8	+1 1/2	56 1/2	29 1/2	Litton Ind.	38 1/2	-1/2	22	11 1/4	Loew's	13 1/4	-1/2	
24 3/4	11 1/4	AmBcstg-Para-1	14 1/2	+1/2	50	29 1/2	Magnavox 1 1/2 b.	36 3/4	+1 1/2	44	28 1/2	Mallory 1.40b.	26 1/2	-1/2	40	23 1/2	Mpls. H'll 1.60a	83	+3	
43 1/4	29 1/4	AmMach&F 1.60	35 1/4	+1 1/4	51 1/4	35 1/4	Motorola 1 1/2	41	+1 1/4	131	73 1/2	Nat'l Thea 1/2	8 1/2	+1/2	9 1/2	7	Paramount 2	34 1/2	+1/2	
179 1/4	160	AT&T 9	171 1/2	-1 1/2	18 1/4	11	Philco	15	+1	18 1/4	21	RCA 1a	33 1/4	+1	23 1/4	16 1/4	Raytheon 1 1/4 t.	22 1/2	+1 1/2	
33 1/4	19 1/2	Amphenol 1.20	24 1/4	+3/8	38 1/2	28	Republic Pic	6 1/4	+1/4	38 1/2	7	Sang Elec 1.80	33	.....	19 1/4	12 1/2	Siegler .80	14	-1/4	
36 1/4	26	Arvin 2	26 1/2	-1/4	39	29 1/4	Sparton	3 1/2	+1/2	18 1/2	12 1/2	Sperry Rand .80	18 1/2	-1/2	6 1/4	2 1/2	Standard Coil.	7 1/2	+1/2	
7 1/4	4 1/4	Avco .10e	6 1/4	.....	26 1/4	17 1/4	Stanley-War 1	15 1/2	+1/2	9 1/4	5 1/4	Stew Warner 2b	29 1/2	-1/2	18 1/2	13 1/2	Stor-Bcstg 1.80	22	.....
47 3/4	20 1/4	Beckm Inst 1 1/4 f	1	.....	41 1/4	27 1/4	Sylvania 2	36	+3/4	46 1/4	29 1/4	Texas Instru	29 1/2	+1 1/2	31 1/2	15 1/2	Thomp Prod 1.40	42 1/2	+1 1/2	
66 3/4	42	Bendix Av 2.40	48 1/2	.....	89 1/4	41 1/4	Tung-Sol 1.40b	25	+1	37 1/2	21 1/4	United Art 1.40	18 1/2	-1/4	30 1/4	19 1/4	Univ. Pict 1a	22 1/2	+1/2	
53 1/4	27 1/4	Burroughs 1	30 1/4	-1	29 1/4	18 1/2	Warn Bros 1.20	18 1/2	+1/2	28 1/2	16 1/2	Westingh El 2	62 1/2	+1 1/4	30 1/2	30 1/2	Zenith 4	139 1/4	+1 1/2	
25 1/2	15 1/4	Clevite 1/4e	17 1/4	.....	6 1/4	2 1/4	.....	.....	.....	140	91 1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....
36 1/4	23 1/2	CBS "A" 1b	25	+1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35 1/2	22 1/2	CBS "B" 1b	25 1/4	+3/8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
20 1/2	11 1/4	Col Pictures 1/4 t	16 1/2	+2 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
54 1/4	25 1/4	Cons Elec. 40	31 1/2	+1 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
35 1/4	18	Cons Electron	24	+1 1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
27 1/4	12 1/2	Cor-Dub .20e	13 1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
106 1/4	57 1/4	Corning Glass 1a	79 1/4	+1 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6 1/4	3 1/4	Davega	3 1/4	-1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
47	27 1/2	Daystrom 1.20	30 1/2	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
19 1/4	13 1/4	Decca 1	16	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
18 1/4	13	Disney .40b	17	+1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
115	81 1/4	East Kod 1.55e	105 1/4	+3 3/8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
34	22 1/4	Emer Elec 1.60	34	+1 1/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
6 1/4	3 1/4	Emerson Radio	5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
10 1/4	6 1/4	Gabriel .60	7 1/4	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
68 1/4	46 1/4	Gen Dynamics 2	59 1/2	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
72 1/4	52 1/4	Gen Electric 2	61 1/4	+1 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
8 1/4	4	Gen Inst. .15g	5 1/4	+1 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
47 1/4	30 1/4	GenPrEquip 2.40	37 1/2	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
30 1/2	22 1/2	General Tire .70b	26 1/2	-1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
45 1/4	36 1/4	Gen Telephone 2	43	+1 1/2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
25 1/4	17 1/4	Hoffman Elec 1	23 1/2	+3/4	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/2	-1/2	44 1/2	29 1/4	Hazeltine 1.40b	35	+2
52 1/2	19 1/4	Allied Con 1a	41	+2 1/4	3 1/4	2 1/4	Herold Ra .20	4	2 1/4
21 1/2	11 1/4	Amer Electro 1/2	13 1/4	-1/4	6 1/4	3 1/4	Int Resist .20	4	.....
11 1/4	6 1/4	AssocArtProd	9 1/4	.....	8 1/4	4	Lear	5 1/2	.....
12 1/4	7 1/4	Audio Dev .05d	7 1/4	+1/2	1 1/4	3/4	Muntz TV	9 1/2	+1 1/2
13 1/4	6 1/4	Belock Inst 1/4 t.	8 1/4	+1/4	3 1/4	2 1/4	Muter Co. 1/4 t.	3	.....
1 1/4	3/4	C & C TV	3 1/4	.....	9 1/4	5 1/4	Nat'l Telefilm	6	.....
5	2 1/2	Clarostat .15g	3 1/4	.....	2 1/4	1	Nat Union El	6	1 1/2
6 1/4	3	DuMont Lab	4	+1/4	11 1/4	2 1/4	Norden-Ketay	2 1/2	-1/4
17 1/4	2 1/2	Dynam Am	3 1/4	+1/4	5	3	Oxford El .10d	3 1/4	.....
7 1/4	8	Electronic Com	13	+1 1/4	20 1/4	10 1/4	Philips El	13	.....
12 1/4	5 1/2	Electronics Cp	7 1/4	+1	12 1/4	6 1/4	Servomech .40	7 1/2	+1 1/2
31 1/4	16	Fairch Cam 1/2 g.	29 1/4	+1/2	9	3 1/4	Skiatron	4	+1 1/2
30	8 1/4	General Trans	22 1/4	+2 1/2	8 1/4	2 1/4	Technicolor	4	+1 1/2
20 1/4	14 1/4	Globe Un .80	14 1/4	.....	5 1/4	3 1/4	Trans-Lux .20g	4 1/2	-1/4
4 1/4	2 1/4	Guid Films	2 1/4	.....	.....	.....	.....	.....	.....

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.	2	2 1/2	Magna Theatre	2 1/2	3 1/4
Aerovox	4 1/4	4 3/4	Maxson (W. L.) .05	5 1/2	5 1/2
Airborne Inst.	40	44	Meredith Pub 1.80a	26 1/2	29
Altac Co .80	8	9	National Co. (4% stk)	11 1/4	12
AMP Inc .50	17 1/4	17 1/4	Oak Mfg. 1.40	14 1/4	16
Amplex	51 1/4	55	Official Films .10	15 1/2	1 1/4
Baird Atomic	9 1/4	10 1/2	ORRadio	15 1/2	17
Cinerama Inc	1 1/2	2 1/4	Pacific Mercury TV	4 1/2	5 1/2
Cinerama Prod	2	2 1/2	Packard-Bell .50	11 1/4	12 1/4
Cohu Electronics	7 1/4	8	Panellit	4 1/2	5 1/2
Collins "A" .35	13 1/4	15	Perkin-Elmer	25	27
Collins "B" .35	13 1/2	14 1/2	Philips Lamp (14% of par)	34 1/4	36
Cook Elec. 40d	18	19	Reeves Soundcraft (stock)	2 1/4	3 1/4
Craig Systems	4 1/4	5	Selectvision Inc.	1 1/2	1 1/4
DuMont Bcstg	6 1/4	7 1/4	Sprague Electric 1.20	30	33
Eitel-McCullough (5% stk)	26 1/2	29	Taylor Instrument 1.20	29	32
Elec Assoc (stk)	37	38	Tele-Broadcasters	2	2 1/4
Erie Resistor .40b	5 1/4	6 1/4	Teledrome .30	6 1/2	7 1/4
Friden Ind. 1	42 1/4	44	Teletypewriter	4 1/4	4 1/2
Giannini, G. M.	12 1/4	13	Teleprompter (stock)	5 1/4	6 1/2
Granco Products .05	1	1 1/2	Time Inc. 3.75	57 1/2	60
Gross Telecting 1.60	16 1/4	18	Topp Industries (stock)	8 1/4	9 1/2
Hewlett-Packard	22	24	Tracerlab	5 1/2	6 1/4
High Voltage .10g	28 1/2	30	Trav-Ler	1 1/4	1 1/2
Hycor	2 1/2	2 1/4	United Artists	5 1/2	6
Indiana Steel Products 1.20a	19	19 1/4	Varian Associates	15 1/2	16
Jerrold	1 1/2	2	Victoreen Inst	4 1/4	4 3/4
Ling Industries	1 1/2	2 1/4	Webcor .15e	13	14
Leeds & Northrup .60b	20	22	Wells-Gardner	6 1/2	7
Machtell Labs .25g	14	15	WJR Goodwill Station .50d	11 1/4	12 1/2

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Westinghouse Workshop: National conference on local TV-radio public service programming—industry innovation tried out successfully by Westinghouse Bcstg. Co. year ago in Boston (Vol. 13:9)—had 4-day smash repeat run in Baltimore this week. Despite deliberate hold-down on invitations by host Westinghouse to keep it manageable, second annual conference drew 325 active participants—50 more than in 1957—including delegates from 175 stations across country.

Panels and other workshop proceedings spilled from Lord Baltimore Hotel to Johns Hopkins U campus, to WBC's WJZ-TV, as far afield as Harper's Ferry, W. Va., where big event was on-camera reconstruction of Civil War events to demonstrate how station can dramatize local history.

Broadcasters, educators, scientists, civic officials, performers joined in panels whose far-ranging topics included "The Care & Feeding of Ideas," "Disc Jockeys & Public Service," "Religious Programming," "Radio & TV in the Space Age," "The Audience—or, Who's Out There?" Some highlights from talks and panels:

WBC pres. Donald H. McGannon—"As broadcasters, we can no longer afford to give lip service to the phrase 'public interest' as contained within the statute under which we are all licensed. We must look upon it not as a legislative device of entrapment but as a mandate literally passed to us by the American people."

Dr. Fred L. Whipple, Harvard College Observatory—"Soundest investment you ever made [would be] devoting a minimum of 10 min. each week to highlighting scientific or other intellectual activities in the local community."

Dr. Frank Baxter, TV-celebrated U of So. Cal. professor—"Challenge your audience with something better than programs which are painless & effortless . . . There is a hunger out there for matters of intellectual interest. We are not giving it to them."

NTA v.p. Ted Cott—"The broadcaster must accept his own judgment and be a man of distinction & courage when dealing with fragile ideas."

Sen. John F. Kennedy (D-Mass.)—Broadcasters & politicians have one thing in common: They can't please everyone and still maintain their responsibilities to the public.

David Susskind, exec. producer & v.p. of Talent Assoc. Ltd.—TV plays down to "the lowest common denominator of taste." Audience "app

THE
AUTHORITATIVE
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

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Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — March 15, 1958

JOHN S. CROSS, nominated as replacement for Comr. Mack, regarded as safe, conservative. Rep. Harris and rest of Ark. delegation pleased (p. 1).

ANOTHER LOOK AT MIAMI GRANT sought in unprecedented FCC petition to court; Harris hearings on FCC drone on but with audience missing (pp. 3, 4 & 5).

NETWORK HEARING proceeds without FCC enthusiasm, everyone eager to finish. NBC presents brilliant case. NTA and Corinthian testify (pp. 3 & 8).

MUSIC MONOPOLY CHARGES against BML, ASCAP heard in Senate & House hearings which keep ASCAP busy in dual roles of prosecutor, defense counsel (p. 6).

TOP 100 SPOT ADVERTISERS listed by TvB with their expenditures. Will shortly have complete list of all 1957 spot advertisers spending \$20,000 and up (p. 6).

BIG POST-1948 MOVIE DEAL with NBC by Republic Pictures is challenged in court action by studio stockholders who protest \$2,000,000 "bargain" (p. 6).

CBS SPLITS TV OPERATIONS with Lou Cowan head of all network programs, sales, affiliations, etc.; Merle Jones all stations, spot, film, etc. (p. 7).

N.Y. EDUCATIONAL DEAL with WOR-TV would give schools use of Ch. 9 for 9-5 daily, 9-noon Sat. for \$365,000 yearly lease (p. 8).

FCC DISPOSES OF OLD DOCKET cases, including protests on Rochester share-time CPs, Daytona Beach site move. Instructions in Seattle Ch. 7 case (p. 10).

COMMUNITY ANTENNA SYSTEMS burgeon as new stations start. U.S. & Canadian growth figures derived from analysis of new Factbook listings (p. 16).

Manufacturing-Distribution

UPCOMING STEREO DISCS persuade TV-radio makers to go slow on tape recorder plans for fall market (p. 11).

CONSENSUS OF TV RECEIVER MAKERS is that prices will remain at current levels until general business improves despite rising costs (p. 11).

No. 1 FISHERMAN and big game hunter in the industry, in our book, is Admiral's Ross D. Siragusa, who's a whiz at sea and hunts with bow-&-arrow (p. 13).

MOTOROLA SALES & PROFITS for 1957 hold close to 1956 record levels. Drop forecast for 1958, due mainly to slackened TV-radio markets (p. 14).

JUDGE BLASTS TUBE MAKERS for inadequate protection against counterfeiters; says false branding costs public \$5,000,000 (p. 15).

EARL MUNTZ BUYS SONORA in company with Chicago TV executive Frank Atlans, plans TV, radio, hi-fi line with electronic organ to sell at \$295 (p. 15).

REACTIONS TO NOMINATION OF CROSS TO FCC: What manner of man is John S. Cross, whose name President Eisenhower rushed to the Senate almost immediately after Comr. Mack wilted and resigned? We've talked to him and to many who have worked with him, and pass along these facts and impressions to you -- pending Senate Commerce Committee March 26 hearing on his nomination, which should be exhaustive:

He has the essential Democratic political backing. Rep. Harris (D-Ark.), whose committee forced resignation of Mack, is mighty pleased with the nomination of a fellow Arkansan. Entire Ark. Congressional delegation, which includes powerful committee chairman Sen. McClellan & Fulbright, endorses him. In fact, it did 3 years ago, too, when Cross went after the job, but Mack had more pull -- despite the efforts of Cross' father-in-law, former Rep. Claude Fuller (D-Ark.).

Whether Cross is confirmed by Senate or not -- and it's expected he will be -- there will be tighter, tougher and, it is to be hoped, more judicious regulation of TV-radio. But whether a dominantly govt.-career-manned agency can do the best sort of job remains to be seen. Congressional pressures will continue, perhaps more subtly, more covert than before -- but Senators & Congressmen will always pressure.

The 53-year-old govt. career employe Cross, asst. chief of State Dept.'s Telecommunications Div. under veteran diplomat Francis Colt deWolf, shapes up as an

honest man with an engineering background and considerable experience in non-broadcast communications. He seems safe, conscientious, non-controversial.

His self-appraisal jibes with what others tell us: "I'm no world-shattering sort of fellow, and my appointment won't change the face of the world, but I think I can help the FCC." He's not as modest as that sounds, actually. He has air of self-confidence, likes to be called "Captain Cross" (he attained that rank as a communications officer in the Navy during World War II). He feels he can handle the FCC job without too much trouble.

No one talks Cross down as incompetent or weak. However, those inclined to be critical are disappointed that President, in an unduly hasty effort to blot out public's memory of Mack's weakness, did not engage in "massive retaliation" and find a man of such national stature that everyone would sing hosannas. Instead, reaction is more like this: He's okay. Good guy. Respectable background.

Cross is well known in official broadcast circles because of his participation in many international negotiations on TV-radio spectrum, frequently as vice chairman of U.S. delegations headed by FCC's Comr. Hyde. It's interesting and somewhat amusing to see how engineers and lawyers differ sharply in their sizeups:

Former Comr. Webster (engineer): "I'm very much pleased. Have known him for years. He'll make a good commissioner. Very direct. Independent. Open and above-board. Did good job in the State Dept."

Former Comr. Sterling (engineer): "I have high regard for him. He's well qualified. I like to see them pick a man who knows about the industry & the art."

Industry engineer: "I'm glad. I'm prejudiced, of course, being an engineer. He thinks quickly on his feet. His skills are non-broadcast, in a sense. Has good sense of humor--and best collection of stories since [former FCC chairman] Porter."

These are views of 3 lawyers who've seen him in action: (1) "He's sometimes hard to convince, but once he agrees he becomes a good member of the team." (2) "He's bull-headed, not a diplomat. A clean guy, rather conservative, with a limited scope." (3) "Stubborn. Decided opinions. Personally a nice guy. Not brilliant. Brusque, not highly diplomatic."

We asked Cross for his philosophy of FCC regulation. "Well, I believe in getting the facts before making a decision," he said. "If you're referring to this 'buddy-buddy' stuff of people coming around and pressuring for decisions in their favor -- that stinks." Though he's had some dealings with TV spectrum, he said he has no opinion about vhf vs. uhf, standards, etc.

* * * *

FCC makeup will be almost entirely govt. career men, if Cross is confirmed. All have had long city, state and/or Federal service. Comr. Bartley has probably had the most non-govt. experience -- having worked for Yankee Network, old FM Broadcasters Assn. Some critics wish President had tapped another field -- businessman, broadcaster, perhaps. Or, possibly a distinguished retired Admiral or General -- if he insisted on govt. man.

Cross' background, briefly: Born in Birmingham, Ala. Sept. 18, 1904 but now has official residence in Ark., where he owns motel in Eureka Springs (run by his wife in summers). He went to military school, got electrical engineering degree from Alabama Polytechnic Institute in '23. First came civil engineering work for Studebaker and S.C. & Mich. state highway depts. Then -- an off-beat interlude just before the 1929 crash, when he sold securities in Detroit, piled up \$100,000 by speculation, owned expensive cars, Irish hunting horse, etc.

After the crash, in 1932, he joined Interior Dept. During World War II, he was in Naval Operations, handling major communications projects. In 1946, he came to State Dept., has participated in dozens of international negotiations, including NARBA. He has 2 sons -- an Army infantry lieutenant and a regular Navy ensign. He's a good-sized man. Looks healthy.

FCC MOVES IN ON MIAMI Ch. 10 CASE: Unprecedented FCC move in Court of Appeals this week to call back its much-investigated Miami Ch. 10 award to National Airlines -- for a look at "influence" aspects aired by House investigators -- may encourage the losers in other contested TV decisions to try for similar extra shake of the dice.

Neither the House probers nor anyone else has come up with anything more than hints or inferences that they have real facts to back up suspicions in other cases, however. And Commerce subcommittee headed by Rep. Harris (D-Ark.), impatient to get on with its probe of other Federal agencies besides FCC, ended cleanup week on Miami without adding much to its sum of knowledge about Ch. 10 (p. 4).

Unique FCC motion to remand entire Miami case -- filed March 13 in D.C. Court where appeals from Commission by losing applicant WKAT and intervenor Eastern Airlines are pending -- was not immediately granted. Parties had 5 days to answer.

But there was little doubt that Court would concur in Commission's "definite view that the public interest requires that the proceeding be reopened." FCC said it wants to explore -- "by whatever manner may prove appropriate" -- the headlined disclosures by Harris subcommittee, revolving around National Airlines' WPST-TV, which already had forced Comr. Richard A. Mack to resign (Vol. 14:10). [For details of Commission's legal move, see p. 5.]

* * * *

Despite gamble in WPST-TV case reopening to be risked by subsidiary Public Service TV Inc., National Airlines pres. George T. Baker is ready to take his chances with FCC on keeping multi-million-dollar property. He promptly welcomed Commission's move: "We want this clean. We want it all to come out on the record."

Loser WKAT's Col. A. Frank Katzentine is on spot, too, because of his admitted attempts to pressure FCC to stick with initial examiner's decision favoring him -- although he insists he only wanted FCC to vote on "merits" of Ch. 10 case.

Definitely encouraged by FCC's move are other 2 losers -- L.B. Wilson Inc. and North Dade Video -- who naturally hope that Baker and Katzentine will knock each other out. And while Ch. 10 proceedings drag on -- perhaps for years, with further appeals from any FCC redetermination always possible -- contestants in other grants which have been mentioned by suspicious House probers may line up to demand similar reconsideration of their lost cases.

Cropping up again & again in Hill hearings have been questions (so far not pursued) about such grants as Boston Herald-Traveler's WHDH-TV (Ch. 5); Crosley's WLWI, Indianapolis (Ch. 13); Fla.-Ga. TV Co.'s WFGA-TV, Jacksonville (Ch. 12).

FCC NETWORK REPORT BATTERED FOR 2nd WEEK: Barrow Report took another fierce beating in FCC's network hearing this week, while less-&-less support for any of its recommended changes appears in sight. By and large, commissioners seem to show little enthusiasm for their enormously time-consuming chore, as experienced telecasters tore apart what they labeled "theories" and "assumptions."

With by far the majority of affiliates springing to defense of the networks, it looks at this writing as though only Los Angeles Times' independent KTTV (Dick Moore) and Station Representatives Assn. will support any aspects of Barrow Report -- and even they may not be as vehement as first indicated (see p. 8).

There are expectations, nonetheless, that Commission will eventually and reluctantly take some recommendations and start specific rule-making on them. Process would probably take year or 2 -- and chances of any drastic changes ultimately are considered extremely slim.

There were 4 days of testimony this week, 3 of them NBC's. Hearing resumes for one day March 17, then takes hiatus until March 25 because some commissioners are slated to testify before Harris subcommittee on Miami Ch. 10 case (p. 4).

* * * *

NBC's presentation was extremely effective, impressively documented -- termed by several observers as one of best ever heard before FCC. It cited dollars, hours,

percentages, numbers of stations, statements of policy, graphs, success & failure stories -- everything conceivable -- to counteract Report.

The NBC testimony, like that of ABC's & CBS's last week (Vol. 14:10), aimed biggest guns on retention of owned-&-operated stations and option time -- but it covered whole spectrum of Report's recommendations.

The NBC team comprised: Robert W. Sarnoff, pres.; Hugh M. Beville Jr., v.p. for planning & research; Charles R. Denny, exec. v.p. for operations; Thomas B. McFadden, v.p. for owned stations and for spot sales; Walter D. Scott, v.p. for TV network sales; David Adams, exec. v.p.

Even National Telefilm Associates' Ely Landau, seeking foothold for his film in prime station time, plumped for option time -- in fact asked for more -- and urged that ABC, CBS & NBC not be weakened.

Joining networks in defense of multiple ownership were NTA and Corinthian stations (through pres. C. Wrede Petersmeyer). On March 17, Mrs. A. Scott Bullitt takes stand for her 3 Northwest stations, to be followed by Time Magazine group. After the hiatus, other multiple owners are due--starting with Meredith and Storer. [For digests of this week's testimony, see pp. 8-10.]

"The Pot and the Kettle": With FCC still in top billing but slipping, House hearings on misconduct in Federal regulatory agencies were featured this week by return appearances of 2 "heavies" in now-celebrated Miami Ch. 10 melodrama--ex-FCC Comr. Richard A. Mack and Thurman A. Whiteside--and by growing boredom.

House Commerce legislative oversight subcommittee headed by Rep. Harris (D-Ark.) set out to wrap up its investigation of FCC's award of Ch. 10 to National Airlines, tie up loose ends left from weeks of sensation-studded hearings--and move on to fresh headlines.

At week's end subcommittee's Miami cleanup was not yet finished, loose ends were coming untied again, story was off front pages, press tables were vacated, audience--which jammed hearing rooms earlier--had deserted. And to the apparent annoyance of Harris, FCC moved to steal Ch. 10 show by asking Court of Appeals to remand entire case for reconsideration (see pp. 3 & 5).

"They can't get out from under by this action," Harris said, referring to commissioners whom he planned to summon one by one week of March 17 to explain why they voted as they did in Feb. 1957 grant of National Airlines' WPST-TV. "They are going to come in here."

Also billed for week's extended Miami performance is Mrs. Eisenhower's brother-in-law Col. George Gordon Moore, friend of National Airlines' pres. George T. Baker. His name is one of many dropped by witnesses in efforts to show that improper political pressures were applied from all sides in Ch. 10 case--in which radio WKAT's Col. A. Frank Katzentine was loser.

* * * *

Next on schedule (subject to change): Possible exploration of other (but yet-unspecified) FCC grants, preparation of interim report on FCC with probable recommendations for code of ethics for commissioners. Still ahead: Investigations of CAB, SEC, other agencies on which new subcommittee counsel Robert Wm. Lishman started work this week.

Name-dropping reached its loudest volume following

largely unproductive reappearances by Mack, whose resignation from FCC was forced by subcommittee (Vol. 14:10), and Whiteside--whose intricate financial deals benefiting Mack were alleged by subcommittee to have influenced his vote for National Airlines. In one session alone names of ex-Teamsters pres. Dave Beck, House Minority Leader Martin (R-Mass.), Washington Cadillac dealer Floyd Akers, ex-Defense Secy. Charles E. Wilson, Sen. Green (D-R.I.) were inserted into hearing record--but with little relevancy--as people who "might" help get precious grant.

The usually jaunty, smiling Mack was a chastened witness this time--and he was treated with compassion by subcommittee members who had brought on his downfall. He chain-smoked, tapped one heel nervously while subcommittee tried to find out sources of all his bank deposits (\$79,608.76) from May 27, 1955 to end of Feb. 1958 during period when his FCC salary was \$20,000.

Mack produced personal records accounting for most deposits in Washington's Munsey Trust Co. and First National Bank of Ft. Lauderdale. They listed \$20,220 loans from his father, banks, friends, insurance; \$4750 from 20% interest in Whiteside's Stembler-Shelden Insurance Agency; \$1600 from Andar Inc. holding company set up for him by Whiteside; \$6433 rent from Coral Gables home. But he couldn't tell where \$7986.25 of total deposits came from--except that it wasn't income.

"At the present time I am unemployed," Mack said. "It costs a lot of money to go to a bank and look over the accounts and I just haven't been able to do it. I know these things you are referring to are not income."

Subcommittee let it go at that, and didn't press Mack on whether Whiteside and other home-state Fla. friends "put considerable pressure" on him to vote for National Airlines. "They thought they did," Mack said. "They came to talk to me. No one put any pressure on me. I don't react to pressure very well. It's pretty hard to slam the door on an old friend."

Rep. O'Hara (R-Mich.) offered that "as a human being" he felt sorry for Mack. Rep. Williams (D-Miss.), told Mack he hoped that "in the future you may get back on the right track and continue your service to your state." Chairman Harris said goodbye: "On behalf of the committee, Mr. Mack, I thank you for your cooperation. We wish you the best."

"I appreciate your courtesy," Mack said as he left

stand, his face flushed. "When you get down to Florida, come to see me."

On entering big (but almost empty) Caucus Room in the Old House Office Bldg. for his swan-song appearance, Mack shook hands with Col. Katzentine, who was waiting his turn to testify. But he pointedly ignored his longtime friend Whiteside, also waiting, who had stood subcommittee up earlier in week by pleading he was under grand jury subpoena in Justice Dept.'s separate investigation of Ch. 10 case.

Subcommittee got nowhere in attempts to pin down Whiteside on details of his financial transactions involving Mack. Whiteside glared at the investigators, who glared back at him. Rep. Moss (D-Cal.) finally said subcommittee would have to take look at records impounded by grand jury—that Whiteside's explanations of Mack's "participating ownership account" in Stembler-Shelden agency were too confusing to understand.

"The courtesy has been overwhelming," Whiteside said with heavy sarcasm when Harris finally dismissed him from stand.

* * * *

In his turn on stand, Col. Katzentine introduced 23 pp. statement denouncing National Airlines and its pres. Baker, who had charged that he was unfit for Ch. 10 license because he associated with gamblers. "National left no stone unturned, no rock unthrown, and no tar bucket intact in its attempt to blacken my name and traduce my character," Katzentine asserted.

In resulting questioning by subcommittee on who tried to influence whom in case, Rep. Wolverton (R-N.J.) finally observed that when FCC looks at "whole record" in re-consideration of grant "they may find the pot calling the kettle black."

Nowhere yet has there been any disposition on the part of the legislators to blame Congressional pressure tactics for a good share of the FCC "mess"—and Senators named as seeking to influence Ch. 10 case (Vol. 14:10) are altogether unlikely to come forward as witnesses.

Three Senators—Kefauver, Magnuson, Schoeppl—did write Harris this week denying any unusual intervention. Magnuson, chairman of Senate Commerce Committee, as spokesman, asserted their contacts with FCC related only to policy question of whether a CAB-licensed airline should also be an FCC-licensed TV operator. But that Senators and Representatives probably feel they stand above reproach for contacting regulators is manifest from remark of Rep. Williams, who stated to Katzentine: "I fail to see any impropriety on your part as a citizen in seeking assistance from members of Congress."

Senators Monroney (D-Okla.) and O'Mahoney (D-Wyo.) got into Ch. 10 act by introducing bill to prevent airlines from getting TV station licenses. In joint statement they said: "We think it is obviously absurd for Congress to permit a law to stand under which an airline is eligible to receive a TV license." They thought law should "eliminate the complexities that have brought about the present absurdity in the National Airlines case."

TASO editorial committee has been set up to write its final report. TASO exec. director Dr. George R. Town will be chairman, each of the 6 panels will supply a member (to be named next week), and there will be 2 members-at-large: Dr. Robert M. Bowie, Sylvania; Dr. Charles E. Dean, Hazeltine. FCC chief engineer Edward W. Allen will be observer.

Legal Aspects of Remand: In filing motion for remand of Miami Ch. 10 case (see p. 3)—advising Court of Appeals of D.C. it wants to give grant another look in light of House committee disclosures—FCC gen. counsel Warren E. Baker told court Commission "is not presently in a position to advise [as to] the exact nature of further proceedings [which may] prove to be required or appropriate." It's a new wrinkle in FCC regulatory procedure, hasn't been done before.

But Baker told us that in any event, pending final determination, the operation of WPST-TV by Public Service Inc. will not be disturbed. The Ch. 10 station is Miami area's ABC outlet, its operations in hands of TV-radio veterans Walter Koessler, gen. mgr., and Bob Hanna, national sales mgr.; Jack Barry, operations mgr.

Reconsideration of Ch. 10 case, which FCC voted March 12 to seek from Court, could be handled by: (1) Turning everything back to an examiner for completely fresh start. (2) Holding oral arguments on issues raised by Harris subcommittee which also are being studied by grand jury and probed by FBI. (3) Taking briefs from all parties. These points were made in FCC motion to remand case:

(1) Since filing of appeals by WKAT and Eastern Airlines "public charges have been made in the course of a Congressional investigation that one of the Commissioners [Mack] who participated [in grant] should have disqualified himself."

(2) "Additionally, matters have been brought out [by the Harris subcommittee] indicating that some of the applicants . . . including the grantee, may have conducted themselves in a manner which might affect the Commission's basic determinations in the comparative proceedings."

(3) FCC has no "petition or affidavit" relating to charges on Hill and "is thus not in a position to state whether any changes in its previous determination in this proceeding may be necessary or appropriate." But it wants to explore "these and any other relevant matters of substance" relating to Ch. 10.

Despite its action calling back Ch. 10 case, FCC this week also filed in court a regular brief answering arguments of WKAT—which had appealed decision before the Mack affair ever came up. Commission insists that original decision wasn't "arbitrary or capricious or in any way contrary to the public interest."

Showing of educational movies at the Capitol this week elicited comment from Sen. Morse (D-Ore.) that another FCC investigation should try to find out why more TV channels have not been awarded educational stations. Without further comment, he said a "prima facie case exists" against FCC, to which chairman Hill (D-Ala.) of the Senate Labor Committee replied that staff, perhaps full committee, would look into the situation. Committee also heard report on Hagerstown, Md. closed-circuit school TV network, scheduled visit to project Monday, March 17.

RCA will build super-power radio transmitters if FCC permits clear-channel stations to hike power to a maximum of 750 kw, according to E. C. Tracy, mgr., RCA broadcast & equipment dept. He said the new transmitters, made up of 250 kw modules, would use the RCA BTA-50G amplifier as a driver unit. No price was given. GE recently announced similar plans for superpower transmitter production (Vol. 14:7).

ASCAP vs. BMI, ASCAP vs. ASCAP: In a virtuosic feat, ASCAP played double bookings on Capitol Hill this week. Simultaneous Senate & House hearings on alleged music monopolies saw ASCAP in roles of prosecutor of BMI for crimes against composers—and defense counsel for itself against similar charges filed by some of its own members.

In tiny Capitol hearing room, ASCAP's Songwriters Protective Assn. pulled out all stops in effort to convince Senate Commerce communications subcommittee, headed by Sen. Pastore (D-R.I.), that broadcaster-controlled BMI is silencing good American music and endangering livelihood of the best American music makers.

In equally tiny hearing room in Old House Office Bldg., ASCAP lawyers sought to dissuade House Small Business subcommittee, headed by Rep. Roosevelt (D-Cal.), from swallowing complaints by a group of ASCAP members that big licensing agency is run by "powerhouse" for benefit of few wealthy publishers & composers.

Senate hearing was on bill (S-2834) by Sen. Smathers (D-Fla.) prohibiting broadcasters from engaging "directly or indirectly" in music publishing or recording business (Vol. 13:34). Effect might put BMI out of business, leave licensing field to ASCAP, against whose one-time control BMI was organized in first place.

Such ASCAP headliners as author-producer Oscar Hammerstein II were in chorus of witnesses in favor of anti-BMI bill. Solo part was taken by movie-Broadway composer Arthur Schwartz, who charged BMI was "combination" which debased country with rock-'n-roll music, discriminated against recording companies not licensed to broadcast. "The 2 leading networks have used their recording companies (RCA-Victor, CBS Inc.'s Columbia Records) as collaborators in promoting the artists' recordings & music under their joint control," he testified.

Hearing recessed until March 19 after 9 anti-BMI witnesses had been heard. Pastore promised full hearings for networks and stations on BMI's side of case later.

No bill was before Roosevelt subcommittee on House side. Hearing was platform for Vienna-born composer Hans J. Lengsfelder and group of fellow ASCAP members who charge that ASCAP "powerhouse" board of directors uses "weighted vote" to decide who gets royalties in organization's complex scale of payments. Small-time members don't get what they are entitled to, he said.

Note: ASCAP members of Songwriters Protective Assn. are plaintiffs in \$150,000,000 suit against BMI in N.Y. federal court. Lengsfelder group of ASCAP members is suing ASCAP in N.Y. Supreme Court for accounting of all funds disbursed in last 6 years.

ADVERTISING AGENCIES: Walter C. Raithel Jr. elected v.p., Chicago office of BBDO . . . Howard W. Calkins elected pres. of Albert Frank-Guenther Law, continues as chairman . . . William M. Englehaupt, ex-Earl Ludgin, elected v.p. & chairman of plans board, MacFarland, Aveyard, Chicago . . . Ed Spitzer promoted to merchandising director of Kudner Agency . . . Leslie Silvas, ex-Calkins & Holden, elected v.p. of Warwick & Legler, N. Y. . . Samuel Dalsimer, v.p. of Grey Adv., elected to executive committee; Bib Brownold, 35 years with Grey, now a v.p. & director, retires June 1 . . . Richard C. Moses, west coast exec. v.p. heads new Donahue & Coe office, Los Angeles.

Frank Silvernail, veteran timebuying specialist, formerly with NBC, retires from BBDO March 31.

WATCHDOG of the TV business, Television Bureau of Advertising this week released expanded list of the top national & regional spot TV advertisers of 1957—and promises early in April a report on all advertisers spending \$20,000 or more for spot time. TvB also has available breakdown of top 25 by products advertised. Though we ran top 10 network and top 12 spot users last issue (Vol. 14:9), fact that spot is so much in the news these days (and will be more so soon, at FCC network hearings) impels us to publish TvB's list of top 100 herewith:

1. Procter & Gamble	\$25,916,840	51. Grove Laboratories	\$1,688,460
2. Brown & Williamson	12,988,920	52. U. S. Borax	1,653,640
3. Continental Baking	10,190,060	53. H. J. Heinz Co.	1,621,790
4. Sterling Drug Inc.	8,635,890	54. Wesson Oil	1,618,070
5. General Foods Corp.	8,447,900	55. Standard Oil (Ind.)	1,597,460
6. Colgate-Palmolive	7,739,080	56. Piel Bros.	1,594,130
7. Lever Brothers Co.	7,642,980	57. General Motors	1,552,630
8. Carter Products	6,995,260	58. Pabst Brewing Co.	1,480,060
9. Miles Labs	6,392,640	59. M. J. B. Co.	1,473,340
10. National Biscuit	5,822,320	60. Peter Paul Inc.	1,458,710
11. Warner-Lambert	5,690,870	61. Theo. Hamm Brewing	1,434,340
12. Philip Morris	4,941,470	62. Interstate Bakeries	1,452,080
13. Robert Hall	4,928,930	63. Helaine Seager Co.	1,427,250
14. Int. Latex	4,722,660	64. Burgermeister Brewing	1,421,040
15. Coca-Cola Co.	4,207,890	65. Minute Maid Corp.	1,414,570
16. Adell Chemical Co.	4,109,800	66. Hills Bros. Coffee	1,404,070
17. Bulova Watch Co.	4,050,400	67. Phillips Petroleum	1,387,820
18. Liggitt & Myers	4,001,840	68. Standard Brands Inc.	1,308,750
19. American Chiclé Co.	3,726,800	69. Probert Curley Ltd.	1,304,080
20. Am. Home Products	3,589,680	70. Milner Products Co.	1,296,950
21. Ford Motor Co.	3,436,050	71. Glamorene Inc.	1,280,540
22. American Tobacco Co.	3,145,930	72. Tea Council	1,280,080
23. Charles Antell Inc.	3,066,630	73. American Bakeries	1,232,170
24. Pepsi Cola Co.	3,038,650	74. Carling Brewing Co.	1,231,440
25. P. Lorillard & Co.	3,018,660	75. Maybelline Co.	1,168,860
26. Shell Oil Co.	2,993,100	76. Pacific Tel. & Tel.	1,158,090
27. Esso Standard Oil	2,933,060	77. Socony Mobil Oil Co.	1,139,720
28. R. J. Reynolds	2,887,630	78. Best Foods Inc.	1,123,470
29. Kellogg Co.	2,829,510	79. Quaker Oats Co.	1,124,940
30. Anheuser-Busch	2,792,410	80. United Vintners Inc.	1,113,880
31. Food Mgrs. Inc.	2,781,640	81. Great A & P Tea Co.	1,066,120
32. Nestle Co. Inc.	2,530,320	82. Plough Inc.	1,059,920
33. Corn Products Ref. Co.	2,477,860	83. Ralston-Purina Co.	1,059,010
34. Block Drug Co.	2,347,400	84. General Cigar Co.	1,056,760
35. Max Factor & Co.	2,290,850	85. Borden Co.	1,049,160
36. Avon Products Inc.	2,287,750	86. Rayco Mfg. Co.	1,037,940
37. Falstaff Brewing	2,196,180	87. Dr. Pepper Co.	1,031,720
38. J. A. Folger & Co.	2,194,020	88. Wm. B. Reilly & Co.	1,025,840
39. Beech-Nut Life Savers	2,180,520	89. Sardaun Inc.	1,023,340
40. Nibi Corp.	2,154,430	90. Sunshine Biscuit Co.	991,960
41. Bristol-Myers Co.	2,131,010	91. Saleway Stores Inc.	990,700
42. Texas Co.	1,992,030	92. Pharmaceuticals Inc.	940,150
43. William Wrigley Jr.	1,968,000	93. Ward Baking Co.	939,110
44. Gillette Co.	1,888,790	94. Associated Products	919,230
45. Harold F. Ritchie	1,885,110	95. Kroger Co.	905,290
46. Ballantine & Sons	1,814,930	96. Procter Electric Co.	902,410
47. Schlitz Brewing	1,752,250	97. General Mills, Inc.	901,190
48. Marathon Corp.	1,749,690	98. Langendorff Bakeries	891,260
49. Nat. Dairy Products	1,743,450	99. Gold Seal Co.	868,240
50. Seven-Up Co.	1,712,270	100. Simmons Co.	864,270

Republic's TV Deal Hit: First sale by major studio of post-1948 movies to TV—Republic Pictures' \$2,000,000 deal with 6 NBC o-&o stations (Vol. 14:3-4)—was challenged in N. Y. Supreme Court this week by 2 stockholders who protested "bargain prices." They asked Judge Gavagan for order permitting inspection of Republic's books and delaying annual meeting 45 days after that.

Charles D. Reader & John Marchese, who together control 9200 of 2,004,190 shares outstanding, said company's 1957 financial report (Vol. 14:6) is "shocking in its revelations" and that: "The consideration received by Republic by reason of its sales of [218] feature films is so grossly below the recognized value of the films sold as to cast serious doubts upon the competence of present management."

Republic spokesman said charges in stockholders' petition were "ridiculous." Judge Gavagan postponed action on it until March 18.

In other movies-to-TV developments: (1) United Artists was reported bucking campaign by Theatre Owners of America to save post-1948 features for theatrical screens (Vol. 14:10). (2) Twentieth Century-Fox signed first TV co-production agreement since it went into TV film business 3 years ago, joining with N. Y. producers Monty Shaff & Diana Green for film series based on Evelyn Barkins' novel *I Love My Doctor*.

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Personal Notes: James G. Riddell elected ABC exec. v.p., and after July 1 all depts. formerly reporting to pres. Leonard Goldenson will report to him; he has been gen. mgr. of WXYZ-TV & WXYZ, Detroit, since 1946, was promoted to pres. in 1950, having been with WXYZ since 1931 under old ownership . . . Simon B. Siegel, financial v.p.-treas. of AB-PT, has been elected to board, as has Riddell . . . W. D. (Dub) Rogers, pres. of Texas Telecasting Inc. (KDUB-TV, Lubbock; KPAR-TV, Sweetwater-Abilene; KEDY-TV, Big Spring), named pres. of Lubbock Chamber of Commerce . . . Stephen Flynn promoted from NBC-TV director of TV sales traffic operations to director of sales services; H. O. Lumb promoted from mgr. to director of personnel; George H. Fuchs from mgr. to director of labor relations . . . John W. Esau, ex-mgr. of now defunct KTVQ, Oklahoma City (Ch. 25), elected a v.p. of N. W. Ayer, Philadelphia . . . Walter M. Windsor named gen. mgr. of KMAC-TV, Ft. Smith, Ark.; Richard M. Peters promoted from commercial mgr. to succeed him as gen. mgr. of KCMC-TV, Texarkana . . . J. Robert Covington, v.p. & managing director of radio WBT, Charlotte, N. C., promoted to promotion & public relations v.p. of parent Jefferson Standard Bestg. Co., operator of WBTW & WBT and WBTW, Florence, S. C. . . Don Webster promoted to production mgr. of KJEO, Fresno, Cal. . . Eugene G. Zacher named film director, also continuing as production director, of WROC-TV, Rochester, succeeding David D. Manning, now asst. gen. mgr. & program director of KLFY-TV, Lafayette, La. . . Parker Wheatley, ex-Lowell Institute, named director of public affairs; Spencer Allen, news director, KMOX-TV, St. Louis . . . Eric G. Larson named national promotion director of *TV Guide*, succeeding Fred H. Stapleford recently appointed asst. to publisher of *Philadelphia Inquirer* . . . Robert L. Brown named national sales mgr. of KBTW, Denver . . . Jack Fieldsteel named field sales mgr., DuMont stations . . . Rev. John F. Fisler, ex-TV dept., National Council of Churches of Christ in the U. S. A., named TV-radio director, N. Y. Protestant Council, succeeding Miss Leslie Bidwell . . . Edwin Cohen, supervisor of National Educational TV Film Service since 1955, on April 1 joins Educational TV-Radio Center, Ann Arbor.

Frank Folsom, RCA exec. committee chairman & ex-pres., named Diamond Jubilee recipient of U of Notre Dame Laetare Medal awarded annually to outstanding American Catholic layman.

Obituary

Rep. John J. Dempsey (D-N. M.), 78, father of William J. Dempsey, of Dempsey & Koplovitz, Washington communications lawyers, died in Washington Hospital in Washington March 11. Twice governor of N. M., first elected to Congress in 1935, he also is survived by widow, 2 daughters.

CBS Splits TV Operations: CBS-TV Division workload has increased so greatly, accounting for some \$240,000,000 of CBS Inc.'s 1957 sales of nearly \$355,000,000 (Vol. 13:13), that an operational split was ordered into effect this week—div. pres. Merle S. Jones becoming pres. of new CBS-TV Station Div. and staff v.p. Louis B. Cowan becoming pres. of new CBS-TV Network Div. CBS Radio, also nicely on the upgrade as reported in company's annual report, continues as a completely separate entity under pres. Arthur Hull Hayes.

The Paley-Stanton policy of promoting from the ranks is again reflected in the shuffling of duties. Merle Jones, who has been pres. of the former CBS-TV Div. since Jan. 1, 1957 when pres. Jack Van Volkenburg retired, and who has been a company career man since 1936, now heads all operations relating to the 6 company-owned TV stations (acquisition of one more in Philadelphia pends FCC approval, Vol. 13: 51); also heads CBS-TV Spot Sales (13 stations), CBS-TV Film Sales Inc., Terrytoons and all other non-network TV depts.

"Lou" Cowan, who joined CBS in 1955 as v.p., creative services, having given up his own flourishing program business, Louis C. Cowan Inc. (now Entertainment Productions Inc.), heads all operations pertaining to network programming, sales, production, affiliate relations, etc. He was elected March 12 to the CBS Inc. board, on which Jones also continues to serve.

Jones is 42, a broadcasting veteran, having started in 1933 with the old WAAW, Omaha, his home town, after graduation from the U of Neb. law school. He then served with KMBC, Kansas City, in 1936 became asst. gen. mgr. of KMOX, St. Louis, CBS-owned. He rose successively to mgr. of western div., Chicago, gen. mgr. of CBS Hollywood stations and then of Pacific div., became v.p. for CBS-owned TV stations in 1956, then TV exec. v.p.

Cowan, 48, was induced to join the network after a highly successful career as creator and seller of top-rated programs, including such shows as *\$64,000 Question*, *\$64,000 Challenge*, *Stop the Music*, *Meet the Veep*, *Kay Kaiser's College of Musical Knowledge*, *Quiz Kids*. He's winner of 2 Peabody, 4 Institute for Education by Radio-TV, 3 *Variety* Showmanagement awards. He's on boards of national Book Committee, International Council of Museum of Modern Art, the Dalton Schools, Spiegel Inc.

Ed Murrow, CBS's news ace, is being urged for Democratic nomination for U. S. Senator from N. Y., his voting address being Pawling, N. Y., though he's a native of state of Wash. He says he's not interested, but lots of publicity was given the proposal this week, along with endorsement of Gov. Harriman and disclosure that suggestion first came from Judge Samuel I. Rosenman, advisor to Presidents Roosevelt & Truman.

Ralph Steetle, executive director, Joint Council on Educational TV, has accepted invitation to attend 2nd session on TV of International Broadcasting Organization (OIR), comprising iron curtain countries, to be held in Moscow April 10-17; he leaves by plane April 6.

Bernard Strassburg promoted to chief of FCC telephone div., succeeded as chief of rates & revenue requirements branch by Sydney L. O'Guin.

New & Upcoming Stations: KGHL-TV, Billings, Mont. (Ch. 8) was due to begin regular operation, with NBC affiliation, as of March 15—bringing on-air total to 535 (92 uhf). It's town's second outlet, KOOK-TV (Ch. 2) having been operating since Nov. 1953. It's equipped with 25-kw RCA transmitter, new RCA traveling wave antenna on 417-ft. Ideco tower. P. N. Fortin, 50% owner, heads local business group interested in station; they also operate radio KGHL. Jeff Kiichli is gen. mgr. of TV-radio; Warren Marshall, sales mgr.; Gertrude Nyberg, program director; Douglas Wildfoerster, ex-DuMont, N.Y., production director; Wilber Myhre, ex-KGEZ-TV, Kalispell, Mont., chief engineer. Base hour is \$200. Rep is Young.

Havana, Cuba gets 6th outlet March 19 when "Canal 12," as station calls itself, begins 14-hour daily all-color schedule (6 a.m.-2 a.m.) from new Havana-Hilton Hotel studios. Group of U. S. admen and newsmen are to be flown to Havana in special plane March 18 to attend inaugural. Station's 10-kw RCA transmitter has 60-ft. antenna atop 400-ft. hotel structure. Station was founded and is headed by Gaspar Pumarejo, veteran Cuban broadcaster who founded CMUR-TV (now CMBF-TV), with Eduardo Cabelero & Manuel Lierandi as v.p.'s, Lorenzo Barquin as chief engineer. Jose A. (Babby) Quintero is N. Y. rep at 205 W. 88th St. (Endicott 2-6255).

* * * *

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

KVIQ-TV, Eureka, Cal. (Ch. 6), which will operate in association with KVIP-TV, Redding, Cal. (Ch. 7), has changed target to April 1. By then it hopes to have FCC authorization for intercity relay permitting off-air pickup of KVIP-TV programs. It has 5-kw RCA transmitter and 200-ft. self-supporting tower with 3-bay antenna. Co-equal owners are KVIP-TV and pres.-gen. mgr. Carroll R. Hauser. Base hour will be \$150. Rep will be Hollingbery.

KTWX-TV, Sheridan, Wyo. (Ch. 9), planned as satellite of KTWO-TV, Casper, Wyo. (Ch. 2) has changed target to May 15, reports pres. Burt I. Harris, also pres. of Harriscope Inc., TV producer & packager. Transmitter hasn't been ordered. KTWX-TV will be sold as bonus to KTWO-TV, NBC-TV affiliate, which has \$150 base hour. Rep is Meeker.

Barrage on Barrow Report: Everyone seems anxious to get network hearings over with (p. 3). Commissioners' and counsel's questioning of witnesses gets more perfunctory. And when a witness suggests that a portion of his statement be incorporated in record without his reading it, there's a sense of relief all around. Seldom are witnesses hooked and made to wriggle.

However, Commission is well aware that whole business was started in Congress, pushed primarily by 2 influential men—Sen. Bricker (R-Ohio) and Rep. Celler (D-N.Y.)—and that a lot of money was spent on Barrow project. Therefore, Commission must see it through. Also highly distracting is "show in the main tent"—Harris subcommittee hearings (see p. 4)—where commissioners will testify next week.

WOR-TV & Educators Join Hands: A really happy solution to problem of educational TV in N. Y. metropolitan area seems to be at hand. It's the agreement whereby Teleradio's WOR-TV (Ch. 9) turns over its facilities to N. Y. State Board of Regents for entire period 9 a.m.-5 p.m. daily and 9-noon Sat., starting Sept. 1. Announcement follows Regents' withdrawal last week of much-publicized proposal to acquire WATV's Ch. 13 (Vol. 14:10).

What's needed now to wrap up deal is state legislature's appropriation of \$369,000 to run station for 7 months. To operate full year, Regents will give WOR-TV \$365,000 for facilities, will spend \$150,000 for programming, \$30,000 for administration.

Plans call for offering lessons for students from elementary to high school levels, Regents to use call WREG during its time period. Currently, WOR-TV signs on at 1:45 p.m., plans to extend sign-off when educators start and to operate commercially as usual after the educators complete their "broadcast day."

Unprecedented agreement could well produce one of most important educational projects in the country—and FCC approval, if any is needed, presumably would come through without a hitch.

In announcement, Thomas F. O'Neil, pres. of WOR-TV owner RKO Teleradio Pictures, stated: "We felt that we should implement this educational program with the benefit of our experience—by taking the initiative. It is only through TV that thousands of students may benefit from the greatest minds in the country."

Jacob Holtzmann, prominent N. Y. attorney and chairman of Regents' TV committee, expressed "heartfelt thanks" to O'Neil. Said he: "It is impossible to measure the great public service value of this offer at this time, but it is concrete proof of TV's willingness to cooperate with educators to the extent of sacrificing commercial time. In the agreement, all operating costs are included and no charge is made for capital investment by the owners."



NAB petitioned FCC to permit radio broadcasters to log frequency monitor readings at beginning and end of broadcasts instead of every 30 minutes.

Indicative of way industry regards hearing is fact that several organizations have dropped plans to testify. These include multiple owners Modern Bcstg. (Edgar Stern), RKO Teleradio (O'Neil), Southwestern (Reynolds), Utah Bcstg. (Glassman), WKY group (Gaylord). More dropouts are expected. Reasons: (1) Networks have done such an effective job. (2) Other competent spokesmen are carrying the ball.

That the national reps will demand withdrawal of the networks from the spot representation field, except perhaps for their owned-&-managed stations, is quite certain—but it isn't at all certain whether they will also object to network option time and "must buys." Their stations are too vehement on that score.

We erred, however, in indicating in this column last week that Station Representative Assn.'s spokesman will be Eugene Katz alone. Actually, when their turn comes

in about 2 weeks, the SRA group will have 5 spokesmen, in this order: Lloyd Griffin, Peters, Griffin, Woodward Inc.; Lew Avery, Avery-Knodel; Frank Headley, H-R Representatives; Eugene Katz, The Katz Agency; John Blair, Blair-TV.

* * * *

NBC pres. Robert W. Sarnoff set stage for his team's presentation with this statement: "I have read the Report with admiration and consternation. It is impressive in its painstaking and voluminous material relation to TV . . . But then, after laying a solid base of descriptive material on issue after issue, the Report takes off on a theoretical flight; argues a series of abstract doctrines; and arrives at conclusions unrelated to the facts and unsupported by them . . . The structure of theory built up by the staff is used to advance a social and economic philosophy—that what is strong should be weakened, what is big should be fragmented, and what is secure should be made insecure."

Sarnoff stressed importance of network-owned stations as a stable source of income. He said NBC network lost over \$4,000,000 from 1947 to 1954, averaged net profit of \$1,270,000 a year 1947-57. It lost \$3,000,000 in 1950, made \$1,000,000 in 1951, made \$500,000 in 1952, lost \$250,000 in 1953—has been in black since (figures not given).

By contrast, he stated, owned stations' total net profit averaged \$3,330,000 from 1947 to 1957, has been in black since 1950. He said that loss of mere 3 half-hours' revenue weekly for a year would wipe out all network profits. While network's profits dropped 53% from 1956 to 1957, owned stations' profits slipped only 18%.

Network invested \$25,000,000 in plant during 1947-54 loss years, has put \$26,000,000 into color, plans additional \$28,000,000 for color in next 5 years.

In response to questions from commissioners, Sarnoff said the network competitive situation would improve with more stations. But he thought all-uhf or vhf mileage cuts aren't the answer. He endorsed selective deintermixture and excise tax cut on all-channel sets—and he urged Commission to wait for TASO technical data before consideration of reallocation.

Sarnoff said that NBC radio network has been in red since about 1952 but that situation is improving lately; that TV is supporting radio; that NBC-owned radio stations help substantially.

* * * *

Hugh M. Beville Jr., NBC v.p. for research & planning, had a brilliant presentation—much of it devoted to the "missing chapter" in Barrow Report, inter-network competition. He launched broad attack on Report's assertion that networks dominate the "relevant market" of national TV advertising and that other media can't be substituted for TV. He said NBC has only 6.1% of the national advertising market.

Discussing inter-network competition, Beville described how networks compete for outside-produced films, for major programs, sports events, performers, producers, writers, directors—"even computing devices" for election coverage.

Program-by-program and day-by-day, Beville showed how networks jockeyed for position, shifting lineups, taking advantage of "lead in" audiences. "No change in brand loyalty or corporate position," he stated, "can match the speed with which the American viewer can switch the TV dial from one network to another."

Beville defended option time as networks' only guarantee it can match circulation of such competitors as

radio, magazines, Sunday supplements, newspapers, direct mail, outdoor, car-cards, etc. And, he remarked ruefully, "there would seem to be no question about substituting national TV for national radio." He noted that Cadillac put only 2% of budget into TV, rest into magazines & newspapers, while Lincoln spent 49% on network TV, 21% on newspapers.

* * * *

Charles R. Denny, NBC exec. v.p. for operations, due soon to become an RCA v.p., covered network's need for owned stations, asserted this ownership constitutes no "concentration of control." The onetime FCC chairman said that NBC owns only 1.4% of all stations; that they have 3% of industry's tangible assets; that there's abundance of competition in their markets. The stations garner 9% of network time sales, 8% of national & regional spot, 5% of local, 7% of total broadcast revenues, 10% of total broadcast income before Federal income tax.

If Report's recommendations are followed, said Denny, NBC would have to give up WRC-TV, Washington and WRCV-TV, Philadelphia—for financial and network-operations reasons. And he cited NBC's pioneering record in establishing stations and operating them at tremendous losses when there were only 10,000 TV sets extant.

* * * *

Thomas B. McFadden, NBC v.p. for owned stations & spot sales, had another exceptionally skilled presentation. His theme: Stations use NBC as rep because it does good job for them—42% higher than average of other stations in their markets. He asserted that spot sales is completely separate from other NBC depts.; that NBC has never used its network position to persuade clients to choose it as rep; that NBC affiliation is no prerequisite to representation, or vice versa; that it has solicited some NBC affiliates as clients, without luck; that other reps have more stations; that NBC has never attempted to force changes in stations' spot rates.

On questioning, McFadden said he'd like to add one or 2 more stations to list but couldn't handle more than that and give adequate service. FCC Chairman Doerfer seemed reluctant to believe that spot sales couldn't expand if it wanted to—but McFadden insisted that his list is now a "tidy package;" that more would handicap salesmen.

* * * *

Walter D. Scott, TV network sales v.p., concentrated on essentiality of option time in order to guarantee circulation in competition with other media. He reported that advertisers "are generally disinterested in buying time and programs outside of option time." He noted: "The average evening option time clearance in the time ordered on basic stations is 93% while in station time it is only 64%. This is what makes or breaks a network sale."

Scott described what happens when program is moved from option to station time and vice versa. For example, NBC News clearance dropped from 97% to 71% when moved to station time, Jane Wyman Show from 97% to 69%, Ted Mack Hour from 90% to 53%. Conversely, Ted Mack Hour bounced from 56% to 95% when moved back to option time, Twenty-One from 28% to 95%, Eastman Kodak's film shows from 44% to 82%, Bob Cummings Show from 46% to 98%. More often than not, he said, sponsor cancels because of insufficient clearances.

Option time, Scott said, means firm orders and opportunity to plan long in advance. Among other things, he noted that it takes 90 man-hours to obtain starting lineup

for show in option time, 450 for one in station time. He concluded:

“The ‘softness’ in the market, which the staff shrugged off as a possibility, is upon us now. An advertising retrenchment is under way, and because of the size of the transactions involved in network TV advertising, our medium is particularly sensitive to this retrenchment.”

* * * *

David Adams, exec. v.p., was NBC’s cleanup man. His theme: Barrow Report apparently wants to make common carrier out of broadcasting.

Adams noted, for example, that Report urges Commission to “watch the development of the rate situation closely and continuously” and that rules be adopted to prohibit networks from attempting to “influence” non-network rates. “This watching,” he said, “is either tantamount to direct or indirect rate review, or is meaningless.”

“The recommendations that the Commission should maintain ‘continued surveillance’ of compensation arrangements is parallel to jurisdiction over the division of charges among common carriers.”

“In fact,” he went on, “every one of these proposals seems to be modeled on the common carrier provisions of the [Communications] Act. Either these proposals look toward some kind of Commission action or they do not. If they do not, the networks should not be required to file elaborate reports on the details of their business actions, with which the Commission will not concern itself. On the other hand, if these recommendations do look toward some kind of Commission review of the subject matter—as seems evident—they would inject the Commission into a field with which it is not equipped to deal; and they would extend a form of common carrier regulation to broadcasting in violation of the express philosophy of the Communications Act.”

* * * *

National Telefilm Assoc. pres. Ely A. Landau was first non-network witness to appear—and he surprised at least one commissioner, Lee, with recommendations that each option time period be extended from 3 to 4 hours, instead of urging abolition of option time.

Specifically, Landau suggested these changes: (1) Four-hour option periods. (2) Networks limited to 3 of

the 4 in 3-station markets, 2 of the 4 in 2-station markets, one of the 4 in one-station markets. He stated that networks would thus give up only a little—but that this little would mean much to NTA and other program producers.

Landau said that the “well of feature films is fast running dry;” that TV film producers must have entree to prime evening time. For next fall, he said, NTA is spending \$12,000,000 in order to offer independents in 4-station markets (he hopes for 17 by then) one 3-hour “Big Night” each week—equal in strength to network competition.

Networks must have option time, Landau asserted, so they can offer advertiser guaranteed circulation. Without it, he said, whole industry would be hurt.

Landau irked Comr. Craven by criticizing Commission for “not acting firmly and expeditiously” to improve allocations picture. Acidly, Craven asked: “Do you have an engineer on your staff?” Landau conceded his lack of expertness in allocations, but gave opinion that transition to uhf could be answer to station shortage. He suggested that all vhf stations be required to simulcast on vhf & uhf until “bugs are worked out.”

Asked by commissioners whether NTA is a “true” network, whether it plans to offer non-entertainment features, Landau said he’s working on some live “Sports Spectaculars” and on one-hour filmed news project.

* * * *

C. Wrede Petersmeyer was sole non-network multiple owner to testify this week. He’s pres. of Corinthian Bestg. Corp., the J. H. Whitney organization controlling KOTV, Tulsa; KGUL-TV, Galveston-Houston; WANE-TV, Ft. Wayne; WISH-TV, Indianapolis.

Attacking one-to-a-customer concept of Report, Petersmeyer asserted that “mere place of residence of the owner” should carry no more weight than proven experience—and he noted that Commission has frequently so ruled. He pointed to fact that Corinthian managers are local residents; that staffs are; that personnel has record of strong civic activity as company policy; that in real payoff, programs, stations emphasize local activities.

Petersmeyer stressed fact that multiple owners can bolster their younger and smaller stations with heavy investments in plant, promotion, etc.—and he cited \$400,000 plant expenditures for uhf WANE-TV.

Old FCC Cases Decided: FCC took a day out from its laborious network hearing this week (p. 3) to knock off a lot of old docket cases.

One bewhiskered affair was protest of radio WSAY, Rochester, N.Y. against share-time grants to WHEC-TV & WVET-TV (Ch. 10)—which Commission finally turned down this week. WSAY filed protest March 17, 1953, and it’s been before FCC and courts ever since. In this week’s decision, Commission concluded that Gannett’s ownership of WHEC-TV isn’t undue “concentration of control”; that there’s nothing wrong with the share-time agreement; that radio WVET’s commercial practices aren’t of “great derogatory moment”; that WVET-TV was financially qualified; that radio WHEC’s & WVET’s treatment of WSAY’s request to rebroadcast their programs wasn’t serious.

Commission dismissed protest of several Orlando stations against move of WESH-TV, Daytona Beach (Ch. 2) toward Orlando. Basically, Commission was satisfied WESH-TV would remain a Daytona Beach station.

KARD-TV, Wichita (Ch. 3) grant was reaffirmed after KFH dropped its petition for rehearing, having been paid by KARD-TV for expenses. Case had been sent back to

FCC by court for “clarification and procedural reasons.”

Commission instructed staff to draft decisions looking toward: (1) Denial of petitions to reconsider grant of KIRO, Seattle (Ch. 7)—filed by defeated applicants KXA & KVI. (2) Grant of Ch. 4, Cheboygan, Mich. to Mid-western Bestg. Co., denying Straits Bestg. Co. (3) Dismissal of Ch. 18 application for Baton Rouge by Port City TV Co., which decided not to go ahead.

Initial decision recommending revocation of CP for KAKJ, Reno (Ch. 4) was issued by examiner Herbert Sharfman. Grant was made to one Robert C. Fish, who has since, according to Sharfman, “evanesced into the Canadian fastness.” Meanwhile, a syndicate of Tulare, Cal. businessmen had taken over, invested heavily. Syndicate wants to sell grant to Edward J. Jansen. Sharfman said he’s sorry, but some of principals deceived Commission about ownership, so permit must be revoked.

Malco Theatres obtained Ch. 54 CP for Memphis, while Ch. 70 translator was granted to WHDL, Olean, N.Y., Ch. 70 to Conewango TV Inc., N. Warren, Pa.

Wilmington, N.C. Ch. 3 grant should be in works, now that competitors United Bestg. (Richard Eaton) and WGNI have agreed to merge, 50% each.

STEREO DISCS CRIMPING TAPE: Before fall arrival of stereo discs was assured, some TV-radio makers thought hard about going after tape recorder business. But now that stereophonic sound -- a rocket that's booming tape recorders -- will be available on discs (Vol. 14:8), tape is being shelved definitely by some, tentatively by others.

Said Philco pres. James M. Skinner Jr., whose company went into tape recorder market last year: "We might do a bit more this year than last, but even then it won't be a big activity." Sylvania, another 1957 starter, now plans (according to TV-radio gen. sales mgr. Robert L. Shaw) to "wait and see what effect stereo discs have on phonos before making bigger commitments to our tape recorder schedule."

"Westinghouse is staying out of tape recorders," according to TV-radio gen. mgr. Edward Kelly. Instead, it's planning to improve its position in phono market by adding portables to hi-fi line. Magnavox will stay out of tape; likewise Admiral.

Motorola is "considering tape recorders," we learned from Edward Taylor, v.p. consumer products, but it won't release decision until June distributor convention. RCA, a leader in tape, will keep pressing, of course; currently it's experimenting with magazine-mounted tapes.

Even now, stereo discs are a major threat to tape, in the mind of another major executive. "It's sooner than most people think," said he -- and he tells us he won't go into tape recorders at all because, as he put it, "stereo records will kill tape, along with monaural hi-fi, just as sure as you're sitting in Washington." His present plan is to stereo-ize "across the board" in his phono line.

CONSENSUS ON TV RECEIVER MARKET: Prices ought to be going up because of spiraling costs -- but they won't as long as the recession continues, unemployment mounts and economic uncertainty prevails. That's the consensus we get from a survey of the top producers, who mostly agreed that the market is exceedingly "soft" right now yet are working steadfastly and hoping against hope for an upturn by the time new models are ready. You get a hard, realistic appraisal from Motorola's annual report -- not too hopeful about its consumer products for the rest of this year, albeit making excellent progress in other areas (see Financial Notes, p. 14).

Those industry leaders whom we asked for comments on price trends -- Admiral, Emerson, GE, Magnavox, Motorola, Philco, RCA, Sylvania, Westinghouse -- were of one accord in their replies. Typical was that of Edward Taylor, Motorola consumer products v.p.: "We hope market conditions will improve so that we might ask for a price increase. But if they don't, we won't."

While forecasting second quarter upturn in the general business climate (see p. 12), Sylvania's B.K. Wickstrum said his company expects "to absorb manufacturing cost increases to maintain 1957 price levels." Philco spokesman gave impression that prices will remain "steady" for the foreseeable future.

* * * *

Plenty of justification for price hikes was cited by most of those checked. Said James M. Toney, RCA v.p. & gen. mgr., TV div.: "Justification is an understatement. Retail prices have not reflected 3 years of steadily increasing costs." But it's clear price increases are not anticipated by RCA, either.

Another big manufacturer expressed concern that production figures of recent weeks are seasonally much too low. "It's far too early for that," he said. "We're operating on a schedule admittedly somewhat reduced from last year -- but not nearly in the same proportion as the all-industry figures you publish each week. Our June

merchandise isn't going to be any cheaper but I don't believe it will be higher than June models a year ago."

Inventories of portables and 21-in. table models, this mfr. stated, are actually in short supply now; current inventories are in middle bracket items, and the movement of high-end models is at a virtual standstill.

Only exception to the general tenor was Emerson pres. Benjamin Abrams, who predicted June set prices approximately 10% higher than last year.

Retail sales of TVs, off 9% for 2 months, have some makers worried but others say decline is not as bad as they'd been led to expect. Most agreed inventories are in good balance -- estimated 1,950,000 units at end of Feb. vs. 2,225,000 last year. A projection of the slackening rate of production (see below) indicates total sales of 1,525,000 units in the first quarter vs. 1,680,000 last year.

* * * *

Recession atmosphere has clouded picture of major changes in TV lines for June. Several makers say they'll stand pat with minor freshening of current lines. Others plan to hold 1959 styling and feature innovations to a single model. Early example: Emerson introduced last week a single 17-in. portable (\$178 list) which features contoured-finished back and controls moved from the customary top or side location to vertical panel on front. We've heard that GE will introduce major style change in one model of its spring portables, but spokesman won't confirm details. And, whatever Motorola shows, it will be earlier this year than last; distributor showings begin June 23 in Chicago -- instead of July -- and go on road to 5 regions.

Portables will make up 30 to 35% of spring production -- up from 28% last year, and will cut into table model share of mix which has been slipping steadily from 54% in 1955 to 32% last year. Console push probably will continue, but with less enthusiasm than industry showed last June when it went all out for hi-fi sound, automatic tuning, period furniture styling. Most makers say consoles are not moving now; a few say they are still happy with high-end sales. Sylvania, for one, plans to extend its "Sylouette" super-thin styling to other console models.

"An Inventory Sellout": More optimistic than most about the business outlook, Sylvania senior v.p. for marketing, B.K. Wickstrum, told Washington newsmen this week the current recession is "an inventory sellout which has about run its course." He was speaking of business in general, predicted upturn "toward end of the second quarter" and 2% over-all increase this year in the national economy (GNP). He said:

"I don't think we can talk ourselves into a severe recession if we tried." He cited these factors indicating early upswing: (1) Personal savings at all-time high. (2) New housing, between 1,000,000 & 1,100,000 units. More state and local spending for public buildings, roads, etc. (4) "Built-in" wage increases. (3) Improving machine tool orders. Only expenditures for capital equipment continue to slide, he said.

As for TV, he predicted 6,800,000 set output in 1958 -- "maybe 7,000,000," of which 35% will be portables, with 200,000-250,000 color sets. (Last year's output: 6,400,000 units.) He applauded "lack of dumping" this year, said inventories are in better shape than at any time in 3 years. Picture tube business, he said, is running 11% ahead of last year at this time, should total 15,000,000, or 2,000,000 more than last year. Electronic industry volume will reach \$14 billion in 1958, or about \$1 billion more than 1957, and is headed for \$24 billion in 1966.

Of Sylvania in particular, economist Wickstrum said sales would approximate \$400,000,000 in 1958 vs. \$343,000,000 in 1957, of which 27% will be govt. business.

TV-Radio Production: TV set production was 87,508 week ended March 7 vs. 89,466 preceding week & 97,949 in 1957. Year's 9th week brought production to 900,431 vs. 1,012,836 last year. Radio production was 180,165 (52,069 auto) for the week vs. 176,851 (54,473 auto) in preceding week & 345,342 (135,700 auto) last year. For 9 weeks, production totaled 1,929,950 (672,681 auto) vs. 2,594,319 (1,180,183 auto).

Do You Know That . . .

FISHERMEN ABOUND in the TV-radio executive ranks, some of them darn good ones—but those who have hunted big game in the wild country are relatively rare. At least, we've been able thus far to learn about only a few.

Finest all-around outdoor sportsman we know is Ross D. Siragusa, pres. of Admiral Radio Corp., who incidentally looks very much like Perry Como, except that he's somewhat older (52) and much more dynamic in demeanor. Ross has fished the seas for just about everything, and also hunts—with bow-&-arrow only!

He found shooting game was too easy, won't use a gun anymore. About 5 years ago he took his sons Ross Jr. & Dick to the Yukon in Alaska on a hunting expedition. He bagged a wild goat with bow-&-arrow; the boys, using rifles, got sheep, goat, caribou, moose. Ross Sr. also has brought down deer in Wisconsin with bow-&-arrow, and once bagged a javelina (boar) on the Mexican border—"my toughest encounter because of the beast's irascibility."

Fishing with Siragusa for bonefish on the flats near Cat Cay a few years ago, we watched him hang into a permit, a large-size pompano that rarely takes a hook. He played it with 4¼-oz. spinning equipment, 6-lb. test monofilament line, for exactly 2 hours, 20 minutes by our clocking, and our guide must have maneuvered our motorboat over 10 miles of water, mostly shallows. He had the fish up to the side of the boat, ready for the gaff, when the

line snapped—it had worn thin over the rod's tip and it was determined later that it had broken at only 2-lb. stress, evidence of remarkable light-touch handling.

It looked in the water as though it might have weighed as much as 45 lb., which would have equalled the world's record. We were completely "bushed" from the ordeal of watching—he wouldn't let us relieve him at the rod—but Ross' first remark, after the prize got away, was a calm: "Well that's fishermen's luck for you. Let's go out and try again."

Siragusa says he has caught several permit since then, none under 30 lb. His biggest catch ever was a 600-lb. blue marlin, 13 ft. 6 in. from tip to tail, which he landed about 3 mi. off his Cat Cay beach in 1955. His record with the lightning-speed bonefish is probably better, over all, than baseball's Ted Williams, who claims a one-day record of 40. Ross has taken a total of some 600 bonefish in his time; pulled in 10 one day, of which 4 averaged 10 lb., six ran 6-8½ lb. He won't go for anything smaller, unless it's for marlin bait, and one day he pulled in 25 averaging 2 lb. each in a space of only 2 hours.

A contest between Ted Williams and Ross Siragusa would be a classic—and, based on first-hand knowledge, our money would be on the latter.

Note: We'll have a report later on other crack fishermen in the industry, including some fresh-water experts; also on several other big game hunters—notably some who have been on African safari and who have some fascinating experiences to recount.

Trade Personals: Peter Humeniuk, ex-TV-radio mgr., Canadian GE, named mgr. of engineering of GE's TV receiver dept., Syracuse, succeeding Jack F. McAllister, transferred to power tube dept.; D. P. MacIntyre succeeds Humeniuk at Toronto and he's replaced as mgr. of materials by G. Brosseau . . . Frank Folsom, RCA exec. committee chairman, elected a director of S. H. Kress & Co., variety chain . . . Richard Gorman is now adv. mgr., Admiral Corp., succeeding v.p. Edmond I. Eger, resigned . . . Joseph Marty resigns as special asst. to Zenith v.p. Leonard Truesdell to join Zinser Personnel Service, Chicago . . . George Forman resigns as Emerson director of adv. & sales promotion . . . Ernest Paskell, ex-Battelle Institute, named supervisor semiconductor operations, Delco Radio div. of GM . . . George W. Chane, ex-Ernst & Ernst, management consultants, elected to new post of v.p., management engineering, RCA . . . H. C. Edgar promoted to new post of mgr., distribution & sales, RCA International . . . William N. Brown, ex-Zenith v.p., named v.p.-marketing of Dictograph Products Inc.

ELECTRONICS PERSONALS: C. Harry Knowles, ex-Bell Labs, joins Motorola semiconductor div. to direct video vhf & uhf transistor development . . . Lee L. Bushong promoted to mgr. of manufacturing equipment development, GE semiconductor products dept. . . Anthony J. Randazzo Jr., ex-Rome (N.Y.) Air Development Center, named mgr., Packard-Bell Rome office . . . Dr. Henry S. Katzenstein promoted to new post of director, research dept., Olympic Radio & TV military engineering div.; Abe Cohen promoted to head military product development; Ruby Blumkin to head of military product design . . . Dr. Ewart M. Baldwin, ex-Hughes Aircraft, named v.p. & gen. mgr., Fairchild Semiconductor Corp. . . Paul E. Brandt, ex-Signal Corps, named to new post of regional mgr. (N. Y., N. J., Pa.) of Hoffman Lab div.

DISTRIBUTOR NOTES: Graybar announces retirement of Robert C. Litchfield, gen. appliance sales mgr., after 35 years. His duties will be assumed by 3 product sales mgrs.: Jack West, housewares; Bob Laber, Hotpoint appliances; Tom Huston, all other appliances. They report to John Reine, appliance v.p. . . Westinghouse names Harry Stein gen. sales mgr. of Westinghouse Appliance Sales Corp., N. Y.; transfers Harold E. Risler from mgr. of Clarksburg, W. Va., WESCO branch to mgr. at Columbus, replacing Paul Kenny, resigned . . . Sylvania appoints Emery Waterhouse, Portland, for Me. & northern N. H.; Choquette Co., Providence, for R. I. & 4 Cape Cod counties of Mass. formerly handled by Sylvania Boston branch . . . Sylvania names J. Joseph Spelman, ex-Stromberg-Carlson, to new post of Pittsburgh district sales mgr., home electronics div. . . GE opens new radio receiver sales district (D. C., Va., Md.) headed by J. T. Sharkey, ex-Atlanta district mgr., with headquarters in Arlington, Va. . . GE, Fresno, moves to new office & warehouse at 2788 S. Maple Ave. . . Motorola appoints Lafayette Radio, Jamaica, N. Y. (also known as Radio Wire TV Inc.) for semiconductors and transistors . . . Capehart names John T. Caviezel, ex-Bell & Howell, regional merchandiser for parts of Ohio, Ill., Wis., Mich., Ind. with headquarters in Schiller Park, Ill.; Michael T. Guttman for southern Cal. & Ariz. with headquarters at La Crescenta, Cal. . . W. J. Lancaster Co., San Francisco (Motorola), promotes Paul Holter to sales mgr. of Motorola div. . . Major Appliance Corp., Burlington, Vt., (Admiral) moves to 141 North Ave. . . Gramavox Radio & Phono Co., N. Y., appoints Pace Electronics, N. Y. (Siemens, Braun, Novak, Hitachi) for radio-phono combinations . . . Capitol Records promotes Roland Fribourghouse to new post of mgr. of Hollywood office Capitol International; promotes Julius Varady to N. Y. mgr. . . Urania Records div. of American Sound Corp. appoints All State Distributors, Chicago, for Ill., Wis., Ind. . . Sylvania appoints Fridley Bros. Inc., St. Louis, for TV, radio, hi-fi.

Financial Reports:

MOTOROLA comes forth this week with another quite healthy financial report, showing 1957 sales of \$226,361,000 were within ½ of 1% of its 1956 record high of \$227,562,168 while earnings amounted to \$7,824,431 (\$4.04 per share) vs. \$7,966,817 (\$4.12). Working capital at year's end was \$52,215,832, investment in plant & equipment \$27,167,597, shareholders' equity \$66,172,446—all substantially ahead of 1956 and all at new highs.

Year saw new sales highs in 2-way radio & microwave business, gains in auto radio sales (to Ford, Chrysler, American Motors) and in phonographs and transistors. Military electronics business (data systems, airborne navigation equipment, radar, etc.) remained at about 1956 level, and "decline common to the industry was experienced in the sales of TV and home radios, particularly in the 4th quarter when there was hesitancy in the general economy."

Fourth quarter sales were \$60,338,156 vs. \$64,872,986 in same 1956 quarter. Earnings were \$2,474,009 vs. \$3,148,853. As for 1958 prospects, chairman Paul V. Galvin & pres. Robert W. Galvin state over their joint signatures:

"The year 1958 will be strongly influenced by general economic conditions and new products. Our consumer products and automotive products divisions anticipate a lower volume . . . The degree of this downturn will, however, be favorably influenced by the introduction of new types of products in the latter half of the year. In our communications and industrial electronics, military electronics and semi-conductor divisions, we expect increases in volume . . . The net effect will be somewhat reduced sales and earnings for the corporation in the year 1958.

"Our long-term confidence in the stability and growth of each of our divisions is illustrated by the completion in early 1958 of a new TV production plant and a new laboratory and administration building for our consumer products and automotive divisions."

* * * *

Indiana Steel Products Inc., magnetic products, had record sales of \$12,494,526 in 1957 vs. \$11,329,592 in 1956. Earnings also went to new high of \$807,280 (\$2.75 per share) from \$764,336 (\$2.61). Wholly-owned Canadian subsidiary suffered loss in first half due to higher costs and in second half due to the business recession. At end of year net working capital went up to \$1,870,423, long-term debt was reduced to \$925,000. Favorable future prospects are seen by pres. Robert F. Smith in light of expansion of missile and related electronics programs, increased use of magnets to replace wire-wound fields in small electric motors, and "the remarkable growth of the high fidelity sound industry."

Gross Telecasting Inc. (WJIM-TV & WJIM, Lansing, Mich.), one of the few TV-radio station combinations whose stock is publicly held, earned net of \$674,239 (\$1.68 per share on 400,000 shares outstanding) on revenues of \$2,733,846 in 1957 vs. \$741,926 (\$1.85) on \$2,815,408 in 1956. Reductions, says annual report, "reflected decline in business activity . . . however, we experienced a stimulating increase during the latter part of the year." Radio WJIM enjoyed 8% increase in gross time sales. New Flint studios added to operating costs. At year's end, current assets exceeded current liabilities by \$2,376,938, retained earnings amounted to \$2,882,526 following payment of \$380,000 in dividends vs. \$235,000 in 1956. [For reports on previous years, see Vol. 13: 12]

Allen B. DuMont Laboratories Inc., in second year of operation since spinoff of TV station operations, reports loss of \$534,616 on sales of \$43,582,435 in 1957 vs. net loss of \$3,886,734 on sales of \$47,401,006 in 1956—the 1956 loss having been reduced \$1,262,430 by tax carryback. Annual report quotes pres. David T. Schultz as expressing confidence 1958 will be profitable after pointing out how all tube manufacturing has been consolidated in Clifton plant, all equipment manufacturing in E. Paterson plant. Latter half of 1957, he noted, showed improvement in TV receiver operations, producing "profitable results" after decision to concentrate on quality end introduced in June. Scientific instrument, mobile radio, industrial TV and military business were said to look better for 1958, and international div. expanded its export business last year. As for DuMont's development, in collaboration with Chromatic TV Labs, of Lawrence single-gun color TV tube, report says: "Results to date appear promising for the design of a color TV receiver of lower cost and improved performance than is now available."

Collins Radio Co. sales fell to \$47,044,606 in the 6 months to Jan. 31, 1958 from \$64,283,279 in same period preceding year—net income amounting to \$559,590 after tax credits & non-recurring adjustments of \$825,000 as against \$2,345,035 in 6 months ended Jan. 31, 1957. Report says operations in company's own plants accounted for \$44,701,956 in 1958 period and \$48,238,000 in 1957 period, remainder representing Collins-designed equipment produced by other manufacturers at govt. direction. Backlog Jan. 31 was \$110,000,000 vs. \$118,000,000 six months earlier.

Disappointing 4th quarter, says Aerovox pres. W. Myron Owen in 1957 annual report, accounted to large extent for drop in net sales to \$20,893,000 from \$25,096,000 in 1956. But net earnings were \$276,300 (32¢ share) as against loss of \$909,900 in 1956. Working capital at year's end increased to \$5,709,034 from \$5,280,253, current assets were \$7,338,346, current liabilities \$1,629,346. Wire tantalum capacitor is now in production, and firm claims to be first to have wax-free tubular capacitor using Mylar plastic film as a dielectric.

Webcor Inc., specializing in hi-fi, had record earnings of \$1,961,000 (\$3.01 per share) on peak sales of \$40,374,000 in 1957 vs. loss of \$994,753 on \$34,305,000 in 1956. Pres. Nick Malz pointed to "continued improvement in manufacturing efficiency, careful cost control, and advanced selling & marketing techniques, coupled with national advertising." Company spokesman said biggest sales increase was in commercial div., including hi-fi & tape recorders, while govt. div. scored biggest profit increase.

Emerson Radio earned \$297,699 (15¢ per share) in 13 weeks ended Feb. 1 vs. \$196,509 (10¢) in first fiscal period year earlier.

Boston Herald-Traveler Corp., which recently began operation of WHDH-TV (Ch. 5), owns radio WHDH and publishes morning & Sunday *Herald*, evening *Traveler*, earned \$813,335 (\$2.16 per share) on revenues of \$25,196,427 in 1957 vs. \$646,477 (\$1.72) on \$23,652,226 in 1956. Net income in 1955 was \$758,990 (\$2.01) on \$21,278,572.

Proxy statement for Raytheon's annual meeting in Boston April 10 discloses that pres. Charles F. Adams received \$80,650 salary in 1957, holds 13,440 shares of Raytheon common stock; Harold S. Geneen, exec. v.p. received \$50,650, (200 shares); Percy L. Spencer, v.p. & gen. mgr., microwave & power tube operations, \$56,983 (1313); David R. Hull, v.p. & gen. mgr., equipment operations, \$53,750.

Judge Blasis Tube Makers: A Bronx County (N.Y.) judge took TV tube manufacturers to task this week for winking at a \$5,000,000 counterfeit tube racket. Judge Joseph's biting comments from the bench were made as he imposed sentences on 10 men and 6 service corporations convicted of illegal misbranding and resale of defective tubes (Vol. 13:47). No tube maker was on trial.

"The court," he said, "condemns the manufacturing corporations, and particularly RCA, as the court has more particular knowledge of RCA; they are greatly responsible for what is before this court and what has transpired in the industry."

RCA replied promptly that it had taken measures against tube counterfeiters "immediately upon learning of the scheme uncovered by the grand jury in 1956 [and] we believe that the steps we have already taken have been effective." RCA exec. v.p. for electronic components, W. W. Watts, asserted additional steps now are being taken to insure against counterfeiting, including development of permanent branding inks.

Judge Joseph condemned the industry for 2 corollary practices: (1) Allowing credit on defective tubes returned to distributors within warranty, without first establishing effective means for destroying those tubes or removing them from circulation. (2) Giving credit on tubes actually collected by the factory, but which were known to be fraudulently rebranded and coded so as to appear to be in warranty.

Judge went on to recommend to grand jury a law to penalize any manufacturer knowingly giving credit for a fraudulent tube; making counterfeiting a felony; requiring branding at the factory; improving checking methods; establishing state agency to license dealers or servicemen, among others. He took the occasion to commend GE for initiating action to build a case against tube counterfeiters. A GE spokesman told us the company had assigned its own detectives to secure evidence.

Currently, EIA tube div. subcommittee, under chairman L. B. Davis, gen. mgr. of GE's electronic components div., is preparing recommendations to block counterfeiting but had postponed formal action pending recommendations of the Bronx court.

Stereo tape players, transistor radios and the more expensive phonos—among all the home entertainment instruments—will show the greatest sales gains this year, according to March 10 *Billboard* survey of record dealers. Customers' first choice will be phonos selling between \$100 & \$200; second, \$75-100; third, over-\$200. The 45rpm changers placed last in uptrend potential. The 226 record dealers responding to questionnaire reported best selling brand in low-priced phonos was Decca, followed by RCA and Columbia. RCA was best selling brand over-\$100, followed in high-end by Magnavox. V-M was first in 2 of 3 medium-priced phono categories and in 3 of 4 tape recorder categories.

RCA got third 3-month extension this week to file counterclaim to Philco's triple-damage anti-trust suit (Vol. 13:24). Philadelphia Federal district court Judge Kraft set June 12 as final date when RCA must state grounds and alleged damages for patent infringements by Philco and subsidiary Lansdale Tube Co.

King of the discounters, Steve Masters, is subject of special report in March 14 *Printers' Ink*. Quote: "Manufacturers must realize our type of selling on low margin is growing. We are the dynamic forces who will be giants of retailing in the very near future."

Muntz Back in the Field: Earl Muntz, the Los Angeles used car dealer and founder of Muntz TV Inc., from which he severed affiliation when it went into receivership 2 years ago (Vol. 12:2), is back in the TV & radio business—with electronic organ and hi-fi added. With Frank Atlass, executive of WBBM-TV, Chicago and son of CBS div. v.p. H. Leslie Atlass, he has purchased Sonora Radio & TV Corp. for undisclosed price, will operate it as Sonora Electronics Inc. He's pres., 75,000-sq. ft. plant is at 325 N. Hoyne, Chicago 12. Distribution will be direct-to-dealer. Besides line of radios and hi-fi, Sonora plans to have on market within 60 days a 5-octave, 66-key organ to sell for \$295 as table model, \$395 as console—"first American-made unit under \$695." Muntz says 250,000 organs will be sold in U. S. this year, noting that a \$695 Thomas organ is currently being heavily promoted to some 20,000,000 school children and that a \$295 Japanese-made reed-type electric organ is being introduced on Chicago market week of March 16 via big radio promotions. Note: It was recently reported Muntz and young Atlass were acquiring interests in a TV station in the Dominican Republic in association with J. A. Trujillo, son of the Dominican dictator, but project was dropped after investigation (Vol. 14:7).

New type electron tube construction, known as "Framelok Grid," was announced this week by Sylvania which claims it will improve over-all performance of many types of electronic equipment, including TV and radio sets. First use will be in beam power pentode for horizontal deflection in TV, frequent source of breakdown, according to electronic tube div. pres. M. D. Burns, but will be extended "for use in such tube types as video and audio amplifiers, vertical deflection and a wide range of low and medium power tubes." It's claimed new construction achieves greater "ruggedness," maximum stability and uniform characteristics.

Texas Instruments, transistor manufacturer whose diverse operations spread into such fields as missile systems and oil exploration, expects sales of nearly \$20,000,000 in quarter ending March 31—up \$4,750,000 from 1957 period—according to exec. v.p. P. E. Haggerty. He didn't estimate earnings, but said they'd be well above \$790,000 (25¢ per share) in first quarter last year. Company has said it will report net profit around \$1.10 for 1957 vs. 72¢ in 1956 (Vol. 14:5).

Philco plans 11-page ad splurge in April 28 *Life* to push an across-the-board selection of electronic and appliance products, according to promotion v.p. Raymond B. George. "Specials" announced for annual one-day "Philco Day, U.S.A." sales push April 25 include: 21-in. TV table model (with indoor antenna) at \$189.95; table radio at \$29.95; hi-fi receiver with record cabinet & diamond needle at \$159.95; new small \$19.95 transistor radio.

Defense Dept. spending for electronics increased more than \$350,000,000 in the first 6 months of govt. fiscal 1958, reflecting increased spending for missiles and avionics. EIA reports total was \$1,893,500,000 vs. \$1,513,000,000 in first 6 months of fiscal 1957. Second quarter electronics spending was \$967,500,000 vs. \$926,000,000 last year.

Factory sales of transistors were up in Jan., tube sales down, according to EIA. Transistor sales were 2,955,247 valued at \$6,704,383 vs. 1,436,000 (\$4,119,000) in Jan. last year. TV picture tube sales in Jan. were 621,910 valued at \$12,341,927 vs. 760,860 (\$13,594,525) in Jan. last year; 26,805,000 receiving tubes valued at \$23,264,000 vs. 37,571,000 (\$13,170,000) last year.

COMMON STOCK QUOTATIONS

Week Ending Friday, March 14, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

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NEW YORK STOCK EXCHANGE

1957-8					1957-8				
High	Low	Stock and Div.	Close	Wk. Chnge	High	Low	Stock and Div.	Close	Wk. Chnge
14 1/4	6 1/2	Admiral	8 1/2	+ 1/2	376 1/4	270 1/4	IBM 2.60	336 1/2	- 1/2
27	16 1/2	AmBosch 30e	22 1/2	+ 1/2	37 1/4	25 1/4	IT&T 1.80	32 1/2	+ 1
24 1/4	11 1/2	Am Bcstg-Para 1	15 1/2	+ 1	50 1/4	33	I-T-E Cir B .45e	37 1/4	- 1/4
43 1/4	29 1/2	AmMach&F 1.60	37	+ 1 1/4	10 1/4	6 1/4	List Indst 1/4e	7 1/2	+ 1/4
179 1/4	160	AT&T 9	171 1/2	+ 1 1/2	56 1/4	29 1/2	Litton Ind	38 1/2	+ 1 1/2
33 1/4	19 1/2	Amphenol 1.20	24 1/2	- 1/2	22	11 1/4	Loew's	13 1/2	- 1/4
36 1/4	26	Arvin 2	28	+ 1 1/2	44	28 1/2	Magnavox 1 1/2 b	36 1/2	+ 1/2
7 1/4	4 1/4	Avco .10e	6	- 1/2	50 1/4	23 1/2	Mallory 1.40b	27 1/2	+ 1 1/2
47 1/4	20 1/4	Beckm Inst 1 1/4 f	24 1/2	+ 3/4	131	73 1/2	Mpls. H'll 1.60a	86 1/4	+ 3 1/4
66 1/4	42	Bendix Av 2.40	49 1/2	+ 1/2	51 1/4	35 1/4	Motorola 1 1/2	39	+ 2
53 1/4	27 1/2	Burroughs 1	31	+ 1/2	9 1/2	7	Nat'l Thea 1/2	8 1/2	+ 1/2
25 1/2	15 1/2	Clevite 1/4e	18	+ 1/4	38 1/4	28	Paramount 2	34	- 1/2
36 1/4	23 1/2	CBS "A" 1b	27 1/2	+ 1 1/2	18 1/4	11	Philco	15 1/4	- 1/4
35 1/2	22 1/2	CBS "B" 1b	27 1/2	+ 2 1/2	40	27	RCA 1a	33 1/2	- 1/2
20 1/2	11 1/2	Col Pictures 3/4 t	15	+ 1 1/2	23 1/4	16 1/4	Raytheon 1 1/4 t	22 1/4	- 1/2
54 1/4	25 1/2	Cons Elec .40	32 1/2	+ 1 1/2	8 1/4	4 1/4	Republic Pic	6 1/4	- 1/2
35 1/4	18	Cons Electron	24 1/4	+ 1 1/2	39 1/4	29 1/4	Sang Elec 1.80	33	- 1/4
27 1/2	12 1/2	Cor-Dub .20e	13 1/4	+ 1/2	18	12 1/4	Siegler .80	14 1/4	+ 1/4
106 1/4	57 1/4	Corning Glass 1a	83	+ 3 1/4	6 1/4	2 1/4	Spartan	3	+ 1/2
6 1/4	3 1/2	Davega	3	- 1/2	26 1/4	17 1/4	Sperry Rand .80	18 1/2	+ 1/4
47	27 1/2	Daystrom 1.20	33 1/4	+ 3 1/2	9 1/4	5 1/4	Standard Coil	7 1/4	+ 1/2
19 1/4	13	Decca 1	14 1/2	- 1 1/2	18 1/2	13 1/4	Stanley-War 1	16 1/4	+ 1/2
18 1/4	13	Disney 40b	17 1/2	+ 1/2	41 1/4	27 1/4	Stew Warner 2b	30	+ 1/2
115	81 1/4	East Kod 1.55e	104 1/2	- 1/4	29 1/4	18 1/4	Storer Bcstg 1.80	22 1/2	+ 1/4
34	22 1/2	Emer Elec 1.60	33 1/2	- 1/2	46 1/4	29 1/4	Sylvania 2	35 1/4	- 1/4
6 1/4	3 1/4	Emerson Radio	5 1/4	+ 1/4	31 1/2	15 1/2	Texas Instru	29 1/2	+ 1/4
10 1/4	6 1/4	Gabriel .60	7 1/2	- 1/4	89 1/4	41 1/4	ThompProd 1.40	46 1/2	+ 4
68 1/4	46 1/4	Gen Dynamics 2	57 1/2	- 2	37 1/2	21 1/4	Tung-Sol 1.40b	25 1/4	+ 3/4
72 1/4	52 1/4	Gen Electric 2	61 1/2	+ 1/2	30 1/4	19 1/4	20thC-Fox 1.60	25 1/4	+ 1/4
8 1/4	4	Gen Inst .15g	5 1/2	+ 1/2	25 1/4	15	United Art 1.40	18 1/4	- 1/2
47 1/4	30 1/4	GenPEquip 2.40	37 1/2	- 1/4	30 1/4	18 1/4	Univ. Pict 1a	19 1/4	- 2 1/2
30 1/4	22 1/4	General Tire .70b	26 1/2	+ 1/2	28 1/2	16 1/2	Warn Bros 1.20	18 1/2	+ 1/2
45 1/4	36 1/4	Gen Telephone 2	41 1/2	- 1 1/2	68 1/4	52 1/4	Westingh El 2	62 1/2	- 1/2
25 1/4	17 1/4	Hoffman Elec 1	23 1/2	+ 1/2	140	91 1/4	Zenith 4	138	- 1 1/4

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists	3 1/4	+ 1/2	44 1/4	29 1/4	Hazeltine 1.40b	35 1/2	+ 1/2
52 1/2	19 1/2	Allied Con 1a	40 1/2	+ 3/4	3 1/4	2 1/4	Herold Ra .20	2 1/4	+ 1/4
21 1/2	11	Amer Electro 1/2	14 1/2	+ 1/2	8 1/4	3 1/4	Int Resist .20	4	+ 1/2
11 1/4	6 1/4	AssocArtProd	9 1/2	- 1/4	4	3	Lear	5 1/2	+ 1/2
12 1/4	4 1/4	Audio Dev .05d	7 1/2	- 1/4	3 1/4	2 1/4	Muter Co 1/4 t	3 1/2	+ 1/2
13 1/4	6 1/4	Belock Inst 1/2 t	9 1/2	+ 1/2	9 1/4	5 1/4	Nat'l Telefilm	6	+ 1/2
1 1/4	5/8	C & C TV	7 1/2	- 1/4	2 1/4	1	Nat Union El	1 1/4	+ 1/2
5	2 1/2	ClaroStat .15g	3 1/2	- 1/4	11 1/4	2 1/2	Norden-Ketay	3	+ 1/2
6 1/4	3	duMont Lab	4 1/4	+ 1/4	5	3	Oxford El .10d	3 1/4	+ 1/2
7 1/2	2 1/2	Dynam Am	3 1/4	+ 1/2	20 1/2	10 1/4	Philips El	13	+ 1/2
12 1/4	8 1/2	Electronic Com	13	- 1/2	12 1/2	6 1/4	Servomech 40	8 1/2	+ 1 1/2
12 1/4	5 1/2	Electronics Cp	7 1/2	- 1/2	9	3 1/4	Skiatron	3 1/2	- 1/2
31 1/4	16	Fairch Cam 1/2 g	25 1/2	- 1/4	8 1/4	2 1/4	Technicolor	3 1/2	- 1/2
30	8 1/4	General Trans	21 1/2	- 3/4	5 1/4	3 1/2	Trans-Lux 20g	4	- 1/2
20 1/4	14 1/4	Globe Un .80	15 1/2	+ 1/2					
4 1/4	2 1/4	Guild Films	2 1/4	- 1/2					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.	2	2 1/4	Magna Theatre	2 1/2	3
Aerovox	4 1/4	4 1/4	Maxon (W. L.) .05	5 1/2	5 1/4
Airborne Inst.	44	47	Meredith Pub 1.80a	27 1/4	29
Altec Co .80	7 1/2	8 1/2	National Co (4% stk)	11 1/4	14
AMP Inc .50	18 1/2	19 1/4	Oak Mfg. 1.40	14 1/4	16
Ampex	53	56	Official Films .10	1 1/2	1 1/4
Baird Atomic	8	9 1/2	ORRadio	15 1/2	17
Cinerama Inc.	1 3/4	2	Pacific Mercury TV	4 1/2	5 1/4
Cinerama Prod	1 1/2	1 1/2	Packard-Bell .50	12	13
Cohu Electronics	7 1/2	7 1/2	Panellit	5 1/2	5 1/2
Collins "A" .35	13 1/2	15	Perkin-Elmer	25	27
Collins "B" .35	13 1/2	14 1/4	Philips Lamp (14% of par)	34 1/4	37
Cook Elec. 40d	18	19	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems	4 1/2	5	Selectvision Inc.	1/4	3/4
duMont Bcstg	7 1/2	7 3/4	Sprague Electric 1.20	31 1/2	33
Eitel-McCullough (5% stk)	26 1/2	28	Taylor Instrument 1.20	30	33
Elec Assoc (stk)	37 1/2	40	Tele-Broadcasters	2 1/4	3 1/2
Erie Resistor .40b	6	7	Teletelcom 30	7 1/4	7 1/4
Friden Ind. 1	46	49	Telecomputing	5 1/4	6 1/4
Giannini, G. M.	14 1/2	16	Teleprompter (stock)	6	6 1/2
Granco Products .05	1 1/2	1 1/2	Time Inc. 3.75	58	58
Gross Telecting 1.60	16 1/4	18	Topp Industries (stock)	9 1/2	9 1/2
Hewlett Packard	22 1/4	23	Tracerlab	5 1/4	6 1/2
High Voltage .10g	32	34	Trav-Ler	1 1/2	2
Hycan	2 1/2	2 1/2	United Artists	5 1/4	6 1/2
Indiana Steel Products 1.20a	18 1/2	19	Varian Associates	15	16
Jerold	1 1/2	2	Victoreen Inst	4 1/4	4 1/2
Ling Industries	6 1/2	6 1/2	Webeor .15e	12 1/2	12 1/2
Leeds & Northrup 60b	20 1/2	22	Wells-Gardner	6 1/2	6 1/4
Machlett Labs .25g	14	15	WJR Goodwill Station .50d	11 1/2	12 1/2

Rate of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Paid in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. l Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Community Antenna Surge: Sprightly development of community antenna systems in Canada in recent months and steady growth of U. S. systems, are the more obvious facts to be gleaned from study of up-to-date directory of systems included in our new *TV Factbook No. 26*. Canadian up-surge is similar to that in U. S. a few years ago, when each new station in virgin TV territory spawned cluster of new CATV systems.

Canadian systems total 130 vs. 89 six months ago, number of subscribers has reached 51,045 (vs. 38,076), while the potential given by the 130 is 129,723 (vs. 106,555). These figures exclude the ambitious plans of Dery Multivision Service, Quebec City, which says it wants to build system with 150,000 potential.

The thriving U. S. CATV industry continues to fill out, in terms of new systems and of added subscribers. Directory section now takes up 16 *Factbook* pages vs. 14 six months ago. Some pertinent current statistics:

- (1) U.S. systems operating, 556 vs. 522 six mo. ago.
- (2) Total U.S. homes reached by operators supplying figures, 448,325 vs. 397,700. Total potential estimated by U.S. operators, 863,183 vs. 737,745.
- (3) Average number of U.S. subscribers, 1057; Canadian, 464.
- (4) Average potential per system in U.S., 2069; Canadian, 1081.
- (5) U.S. systems with more than 1000 subscribers, 149; Canadian, 14.

Another index of CATV progress in U.S. is membership of National Community TV Assn. It has exactly 300 of nation's 556 operators—and they're the larger ones, reaching 339,534 of the 448,325 homes served by all systems. NCTA started 6 years ago with 19 members.

Lineup of states with most systems retains same order: Pa., 95; Ore., 52; W. Va., 39; Wash., 35; Cal., 32.

The *Factbook* directory is compiled by questionnairing all operators, and each listing contains—in addition to circulation figures—address, key personnel, phone, starting date, make of equipment, call letters of stations received.

Sale of stock in Selectvision Inc. by P. J. Gruber & Co., investment house, was temporarily restrained this week by order of the N. Y. State Supreme Court. Attorney General Lefkowitz said his office had uncovered a scheme to promote the pay TV enterprise in the Forest Hills, N. Y. area by the use of deceptive literature which represented that 15,000 homes in the area were already wired and that \$4,000,000 had been invested in the project. Actually, Lefkowitz said, only about \$150,000 had been invested by Selectvision. A hearing on the case, originally set for March 13, was postponed until April 2 in Supreme Court.

Pro football's TV-radio income bulked large in 12-teams' 1957 profit survey in March 10 *Sports Illustrated*. Estimated TV-radio income was \$1,470,000 vs. \$1,238,000 in 1953; net profit, \$880,000 vs. \$68,825. Story quoted national league commissioner Bert Bell: "One reason the player payroll has been able to go up so far is TV. Take the TV money out last year, and you'd cut down profits by more than half." Intangible benefit of TV—huge reservoir of new fans—can't even be measured, story adds.

List of TV transmitters, translators and monitors meeting FCC's "type acceptance" or "type approval" requirements, up to date as of Feb. 21, was released by Commission this week. Full text is reprinted herewith as part of *TV Addenda 26-G* (blue sheets).

**THE
AUTHORITATIVE**
WEEKLY NEWS DIGEST
FOR EXECUTIVES OF THE
VISUAL BROADCASTING
AND ASSOCIATED
RADIO & ELECTRONICS
ARTS AND INDUSTRIES

Television Digest

with **ELECTRONICS REPORTS**

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SUMMARY-INDEX OF THE WEEK'S NEWS — March 22, 1958

INDUSTRIAL ELECTRONICS will dominate next electronics era—following radio, radar, TV, missiles—according to Dr. Baker (p. 1 & Special Report).

BOWLES REPORT ON TV allocations, FCC function, etc. submitted to Sen. Magnuson. Committee split over venture into economics, sociology (pp. 2 & 4).

RADIO NETWORKS' economic difficulties dramatized by ABN program cutback. FCC concerned about defense implications of radio network weakness (p. 2).

FCC PROBE BOGS DOWN again in Miami Ch. 10 morass while commissioners wait to testify. No progress made on legislative reform of agencies (p. 3).

MULTIPLE OWNERS defend themselves in FCC network hearings. Bullitt and Time Inc. witnesses on stand. Commissioners show differing philosophies (p. 5).

BMI DEATH-SENTENCE BILL wins little apparent Senate support in first round of hearings for ASCAP proponents; broadcasters testify in April (p. 9).

CHIEF ENGINEERS of FCC, through the years, seldom involved in politics or zealots' roles. Who they were and where they are (p. 11).

Manufacturing-Distribution

JAPANESE RADIO AND PARTS "invasion" disturbs EIA, which hopes for relief via quotas or voluntary limitations. Also seeks excise tax cut to 5% (pp. 12 & 14).

STEREO IS BRIGHT STAR for fall market; it's talk of EIA convention. IRE in N. Y. gets pre-view of components necessary to stereoize (p. 12).

ZENITH'S SUCCESS STORY set forth dramatically in annual report detailing basis for record 1957 in face of industry recession; finances strong (p. 13).

DEFENSE CUTS HURT component and equipment manufacturers; orders not yet coming in from post-Sputnik defense expansion (p. 15).

12,000-LINE TV TUBES, transmitting & receiving, developed by CBS-Hytron for military (p. 18).

AFTER RADIO-RADAR-TV-MISSILES ERAS—WHAT? Industrial electronics looks like next major boom in electronics, in opinion of Dr. W.R.G. Baker, Electronics Industries Assn. pres. who recently retired as GE v.p., is now research v.p. for Syracuse U.

In March issue of Proceedings of the IRE, Dr. Baker evaluates the 4 previous and current "eras" -- dominated, respectively, by radio, radar, TV, missiles -- and he does it in such simple, straightforward fashion that we believe it merits reading by all whose job it is to anticipate trends. Therefore, we've reprinted it as a Special Report, enclosed herewith to all subscribers.

Dr. Baker gives broad analysis of characteristics of each era, plus his opinion on why companies wax & wane through the transitions.

Industrial electronics is defined: "All electronic equipment or applications other than consumer goods, military goods, and entertainment services." Since TV became a fiercely competitive low-profit business, and since military has never been a high-profit market, the industry has long sought to promote industrial electronics as a new high-return field. But it's hard to break through, as Dr. Baker shows.

Dr. Baker has long been a leader in industry -- and at N.Y. IRE Convention March 24-27 will receive IRE's rare "Founders Award." His ability to get competitors to work together is amply demonstrated by fact he has been chairman of most major industry groups in recent years -- Radio Technical Planning Board, first & second National TV System Committees (for black-&-white and color standards), pres. of IRE in 1947, etc. He suffered stroke last year, hasn't recovered completely physically, but works from his home in Syracuse.

AND NOW THE 'BOWLES REPORT' ON TV: Yet another "study" of TV and the FCC has come through -- that of the "Bowles Committee." This is the group appointed by Senator Magnuson (D-Wash.) to advise Interstate Commerce Committee on allocations. This week, chairman Edward L. Bowles, consulting engineer who teaches at MIT and advises pres. Charles F. Adams of Raytheon, handed his report to Magnuson.

Little has been heard from group since establishment June 21, 1955 -- except that deep split developed among members, because some felt Bowles was straying too far from technicalities of TV allocations -- into economics, sociology, etc.

Fundamental conclusion of report is that FCC isn't doing proper job; that someone else has to do it. There's roughly 50-50 split among committee members on final report -- but several original members resigned or couldn't participate because they're with FCC. Report is 12 pages, backed by 287-page "Supporting Brief."

Only time will tell whether Magnuson, et al, will pick up the Bowles Report and run with it or let it gather dust on shelf -- but betting in industry is on the latter. Here are the 4 recommendations:

"(1) An independent audit of the uhf-vhf allocations problem. (2) An objective review of the Commission's mandate, management, operation & budget. (3) Establishment of a Communications Office or Authority as part of the Executive structure. (4) An authoritative classified review of the radio spectrum requirements of the nation as a whole, conducted at Executive level." [For details, see p. 4.]

NETWORK RADIO--AN FCC & INDUSTRY DILEMMA: Though FCC is pressing TV networks hard to justify their business practices, in current hearings on Barrow Report (p. 5), commissioners are quite concerned about viability of radio networks -- for their vital defense, emergency & news functions.

This concern was heightened this week when American Broadcasting Network cancelled 3 costly live shows (Jim Backus, Merv Griffin, Oscar Anderson) as of April 4 -- amid reports that AB-PT actually is seriously considering discontinuing the radio network completely, merely retaining its owned-&-operated stations.

For the foreseeable future, according to ABN pres. Robert Eastman, network will continue with morning Breakfast Club, 5-min. hourly news, evening news commentary programs -- cutting daily service from about 8 to 5 hours from April. More news will be added and "news-alert warning system" will be established; latter will "instantaneously alert the entire radio network to a major news break." "As the radio network becomes stronger," ABC said, "it will expand and add to its schedule." ABC also made point that it recently signed \$1,000,000 in new & renewed business.

AB-PT pres. Leonard H. Goldenson was questioned about radio network's health by Comr. Lee, who has responsibility for FCC's defense activities. Goldenson said that network is losing more than radio owned-&-operated stations can earn; that radio network would be jeopardized if AB-PT were forced to divest itself of 2 TV stations -- as recommended by Barrow Report. Lee then noted that dropout of ABN would have "defense implications." Other commissioners, notably Hyde, have shown similar concern in questioning of heads of ABC, CBS & NBC.

CBS pres. Frank Stanton testified that -- of combined radio owned-&-operated stations and network income -- former accounted for 55% of total in 1954 but 122% in 1957, meaning network operated at loss.

NBC pres. Robert W. Sarnoff testified that NBC Radio has been in red since 1952 but that it's showing continued improvement. He told affiliates in 1956 that loss was \$2,000,000 in 1955, has released no later figures. MBS has no stations of its own, has indicated it achieved profitable operation nonetheless, but recent shakeup of top management there (Vol. 14:9) is generally regarded in the trade as betokening income troubles.

Radio has made a comeback, certainly, but networks aren't getting much of it. McCann-Erickson's authoritative figures, released through Printers' Ink Magazine (and reprinted on p. 27 of our TV Factbook No. 26), show radio advertisers' expendi-

tures going from \$567,000,000 in 1956 to \$648,000,000 in 1957. However, networks' share rose only from \$60,500,000 to \$64,000,000 -- while local business went from \$345,500,000 to \$380,000,000 and spot increased from \$161,000,000 to \$204,000,000.

FCC's official figures show networks' time sales dropped from the peak of \$133,723,098 in 1948 to \$44,839,000 in 1956 (Vol. 14:1). Non-FCC estimates indicate slight rise was probably achieved in 1957.

It's clear that TV networks are now propping up radio networks, turnabout in less than a decade from situation wherein parent radio supported and helped to nurture the infant TV. But there's no telling how long this can go on. FCC faces a dilemma, too. On the one hand, it's considering drastic proposals to clip the TV networks' economic wings. On the other, it very well knows the values of radio networks, doesn't want to kill them off by cutting their TV "subsidies" too deeply.

'THE SYSTEM'—CAN LAWS CORRECT IT? Slow-moving House investigation of FCC practices (see below) no longer produces hot news -- let alone legislative recommendations to correct abuses in all 6 federal regulatory agencies, although they were the professed objective of House Commerce subcommittee when it started last year.

House investigators have become so bogged down in sometimes sordid details of Miami Ch. 10 case -- and in partisan striving to make political hay out of charges and counter-charges of "influence" on FCC -- that they've had little time to spare for the real job Congress gave them to do.

Numerous suggestions for reforming agency procedures -- including "code of ethics" proposed within subcommittee by Rep. Wolverton (R-N. J.) -- have been heard on Hill. But subcommittee hasn't begun to draft any basic legislation -- or seek competent testimony on what revisions in laws are needed.

It remained for ex-FCC chairman Paul Porter to call subcommittee's attention to its basic legislative task this week during testimony as counsel to Ch. 10 loser. "I certainly hope that this committee and other committees will take a long look at the system," he said. He read into record these excerpts from 1954 D. C. Bar Assn. Journal article by Navy gen. counsel F. Trowbridge vom Baur:

"It is common knowledge [that] private interviews in administrative litigation have been the rule rather than the exception...It is also commonly rumored that some personal influence has been exerted by means of these ex parte communications. [It also is] common practice for Congressmen to address private communications & telephone calls to [agencies], demanding decision in a particular way."

House subcommittee could carry on from there. If it doesn't, Senate Commerce Committee may -- and it had proposals under study this week which would throw FCC away with the dirty investigative water.

Abolition of FCC was advocated by ex-Sen. Clarence C. Dill (D-Wash.) who once was chairman of Commerce Committee. Co-author of 1927 Radio Act and 1934 Communications Act, he wrote Chairman Magnuson (D-Wash.) that "people generally have lost all confidence in the Communications Commission." Dill wants to replace FCC with single communications administrator and 3-judge Communications Court of Appeals.

Enactment of such drastic legislation is unlikely. But Magnuson told us this week: "It has some potency because it's drafted by the man who wrote the Communications Act -- and he feels that the FCC should be abolished." In any event, Magnuson's committee plans to get down to work on reform bills after Easter recess.

Harris Probe—Odds & Ends: "I'm getting tired of this business," House Commerce Committee Chairman Harris (D-Ark.) complained as his legislative oversight subcommittee slogged through another week of FCC investigation centered on Miami Ch. 10 (Vol. 14:11). "It runs over & over & over again." But end still wasn't in sight at week's end.

FCC commissioners waited all week to be called to

Capitol Hill to explain their votes in much-explored, much-challenged Feb. 1957 Miami grant to National Airlines. Their appearances—now set again tentatively for week of March 24—had been scheduled to round out that opening phase of House probe, which started out last year to cover 6 regulatory agencies.

Subcommittee never got around to commissioners, however. Instead, it spent week on twice (and thrice)

told testimony, questioning secondary & incidental characters in Ch. 10 case on who said what to whom. One result was that public interest in proceedings in big Caucus Room of Old House Bldg. waned so that there were few more spectators than reporters for many sessions—and many of them were school children touring Capitol.

Toward end of week Harris, acknowledging to reporters that both Democrats & Republicans on subcommittee may have played partisan politics by repetitious questioning, wondered: "Is their purpose in prolonging this inquiry to keep us out of some other organizations?" But he also opined "there is not a Democrat but what is ready to conclude" Ch. 10 case.

Rep. Wolverton (R-N. J.), ranking minority member of group, protested that Republicans, too, were eager to proceed to other regulatory areas—but he indicated he may want to call 10-12 unspecified Ch. 10 witnesses next week after commissioners are heard. And he said subcommittee should look into pre-1953 operations of FCC before Eisenhower Administration took over.

* * * *

Much of week's testimony revolved—endlessly—around charges by WKAT's Col. A. Frank Katzentine, loser in Miami grant, that he was robbed of it by Republican pressure politics & chicanery, aided & abetted by Democratic Comr. Richard A. Mack, whose resignation was forced by subcommittee (Vol. 14:10). "Amazing!" was frequent comment by subcommittee members as testimony—largely denials of Katzentine assertions—went into record of month-old hearings. Among those heard:

Col. George Gordon Moore, Mrs. Eisenhower's brother-in-law: Denied he had anything to do with Ch. 10 grant, despite his friendship with National Airlines pres. George T. Baker; denied he ever heard of White House "clique" interested in case.

Harry Plotkin, Washington lawyer, ex-asst. gen. counsel of FCC: Denied he obtained inside FCC information on Ch. 10 votes and forwarded it to Katzentine when he was with law firm representing Katzentine.

Harry McDonald, ex-SEC chairman: Denied he promised Katzentine he would try to "pull Moore off" case.

Lou Poller, former broadcaster who was active with Katzentine in 1956 Kefauver-for-President campaign: Denied giving Katzentine advance news that FCC would turn him down in favor of National.

John S. Knight, publisher of *Miami Herald* (WCKT & WCKR): Acknowledged he had conversation with National Airlines v. p. Alexander Hardy about grant, but denied reporting to Katzentine that FCC vote was "in the bag" for National.

H. Earl Barber, legal asst. to Comr. Mack, who re-

signed soon after boss did: Admitted he owed \$600 to Thurman A. Whiteside, Miami lawyer who interceded for National Airlines and also was Mack's friend & creditor.

Milt Dean Hill, ex-Republican National Committee aide, now National Airlines public relations counsel in Washington: Claimed he lied to v.p. Hardy in office memo, explaining \$2.40 telephone call, which boasted that he had been in touch on Ch. 10 case with Cleveland Republican Charles Steadman—"the man closest to" George C. McConnaughey, then FCC chairman.

Paul Porter, ex-FCC chairman and Katzentine's Washington counsel: Said he had to act as both "lawyer & psychiatrist" for his client, tried to dissuade Katzentine from approaching Mack in effort to switch vote from National Airlines.

* * * *

Longtime Democrat Porter, on stand all day March 21, also injected own note of partisanship into hearings. He reminded Republican Congressman Wolverton—most pious of all House FCC investigators, who is sponsoring bill to protect regulatory agencies from all outside influence—that he himself had tried to influence FCC.

Porter introduced March 30, 1953 letter from Wolverton (then Commerce Committee chairman) to Paul A. Walker, then FCC chairman, which Porter had dug out of FCC license files. Letter said Wolverton was "very much interested" in application by South Jersey Bestg. Co. (WKDN, Camden) for Philadelphia Ch. 17, for which Westinghouse also had been applicant. Wolverton asked that FCC consider South Jersey's case at once. Reply by Walker turned down Wolverton's request as "deviation" from FCC procedure. (WKDN won CP for uhf station following Westinghouse withdrawal, still holds it.)

Incensed at Porter, Wolverton challenged him to point out any "impropriety" in request to FCC. Porter blandly assured Wolverton that his only purpose in introducing letter was to show "there is absolutely no impropriety in any Congressman—even though this was a contested case at the time—making a representation on behalf of his constituent."

Earlier in week President Eisenhower and Attorney General Rogers joined in assuring Republican Women's Conference in Washington that Administration would act promptly to correct any agency irregularities uncovered by House investigators. President said agencies are "staffed by fallible human beings," but that "prompt, decisive & fair corrective action" would maintain public's "confidence in the integrity of Govt." Rogers said Justice Dept. was continuing "full investigation" of allegations in hearings to make sure any guilty persons "will pay the full penalty of law."

The Bowles Approach: Difficulties arose with Bowles Committee on TV Allocations named by Senator Magnuson (p. 2) when chairman Edward L. Bowles, MIT professor, got permission from Magnuson to "broaden scope of the study" because "the assignment clearly could not be limited to technical considerations." Those differences persist in final report.

These committeemen endorse report: Dr. Allen B. DuMont and his alternate Robert P. Wakeman; Donald G. Fink, Philco; Haraden Pratt, consultant; A. Earl Cullum, consultant. Partial endorsement:

C. M. Jansky and alternate Stuart L. Bailey, consultants. Opposition: Wm. S. Duttera, NBC; Wm. B. Lodge, CBS.

T.A.M. Craven became commissioner after start of Committee's work, didn't participate in recommendations, nor did Curtis B. Plummer and Edward F. Kenehan, who were FCC's representatives. Westinghouse stations' Ralph Harmon says: "No comment." ABC's Frank Marx resigned some time ago, dissatisfied with Committee.

Final report states: "An overall, nationwide allocations plan involves considerations which cover a vast area

including economics, social objectives, political aspects and technical factors." Report also says allocations can't be straightened out without "full consideration of the place of networks," the role of "coaxial & microwave transmission facilities, closed-circuit, implications of pay TV," etc.

FCC isn't capable of doing this "audit," says Report, so it should be turned over to "professional staff of exceptional scope, exceptional qualifications and national repute"—and there are several institutions that can handle job. "Auditors" should be given 1-3 years, \$500,000 to start. Trouble with Commission, Report says, is that it relies on industry information: "It is as if the industry were a philanthropic foundation and the Govt. an eleemosynary institution. This situation is not simply unhealthy, it is tantamount to an abdication of responsibility."

Report states that "Commission's mandate under the Communications Act" should be examined by a group headed by a "distinguished, public spirited, highly qualified citizen." It should look into FCC's organization, budget and management and Communications Act.

Regarding govt. use of spectrum: "The formation of communications policy for both short-range and long-range planning for both domestic well being and military security can only be accomplished by an agency at such high level that it has access to classified information and with such authority that it is enabled to determine the best course, to prevent conflicts which might otherwise arise through ignorance on the part of one agency of what is being done by another, or of the picture as a whole."

Summary: "To argue that it is too late to take any corrective steps is but to condone the lack of decisive action by the Commission over the past 5 years and to endorse this pattern as a tradition."

* * * *

Committee members Jansky & Bailey had these reservations: (1) "The concept of a Communications Office or Authority as a part of the Executive structure of the Govt. should be re-evaluated in the light of our present knowledge." (2) They want the 287-page "Supporting Brief" to be recognized as Bowles' opinion, not Committee's.

Said NBC's allocations engineering director Bill Dutera: (1) An independent "audit" is okay only as long as it's advisory to FCC and sticks to technical considerations. (2) Congress is adequate watchdog of Commission. (3) A "President's Communication Policy Board" would be fine to coordinate govt. & non-govt. use of spectrum and to handle international radio problems—but that subject wasn't within Bowles Committee's directive.

CBS's Bill Lodge had these comments: (1) Criticism of FCC allocations actions is based on hindsight, but Commission's decisions "were based on reasonable assumptions at the time." (2) There's no need for an "audit" or a review of Communications Act administration. (3) "As things turned out, our Committee has been unable to correct the now-evident, but frozen-by-use, shortcomings of the FCC's plan. After expenditure of say, \$1,000,000 or \$2,000,000 of Federal funds, the 'independent audit' might not have the answer either. On the other hand, I must confess to some uneasiness that a too-theoretical approach by such a study could jeopardize public service, public investment in receivers, program quality, and private investments. Further, a review of the FCC machinery would not appear to guarantee against future errors in judgment, which we must accept on occasion in both Govt. and business."

Multiple Ownership vs. Single: FCC commissioners' philosophies on "diversification," multiple-ownership, etc. were aired March 17, sole day devoted to network (Barrow Report) hearing this week—and the roughly 3-3 lineup of members on such policies was quite evident.

Witnesses were Mrs. A. Scott Bullitt, who controls KING-TV, Seattle (KING); KGW-TV, Portland (KGW); KREM-TV, Spokane (KREM). Representing TLF Broadcasters Inc., the Time Inc. subsidiary, were Weston C. Pullen Jr. and Hugh B. Terry; its stations are KTVT, Salt Lake City (KDYL); KLZ-TV, Denver (KLZ); WOOD-TV, Grand Rapids (WOOD); WTCN-TV, Minneapolis (WTCN); WFBM-TV, Indianapolis (WFBM).

Balance of the multiple owners planning to testify—Meredith, Storer & Westinghouse—are scheduled to appear March 31. Hearing then recesses until April 8, when network affiliates' groups come on.

In addition to the 5 multiple owners which dropped out of hearing last week (Vol. 14:11)—Modern Bestg. (Stern), RKO Teleradio (O'Neil), Southwestern (Reynolds), Utah Bestg. (Glassman), WKY Television System (Gaylord)—these individual stations have also cancelled: KFRE-TV, Fresno; WMBD-TV, Peoria; WWJ-TV, Detroit.

* * * *

Good deal of byplay among commissioners occurred during Mrs. Bullitt's appearance. Chairman Doerfer made his thinking so clear in his "questions" that he admitted jocularly: "I guess I've been making a speech." Windup of his remarks was this:

"When you get down to it, perhaps the basic question is character, whether in a multiple owner or a single owner."

Doerfer voiced opinion that, if Commission required hearings on station sales, employe morale would suffer during delay; that investors would shy from tying up capital for long periods; that incentive would be diminished; that multiple owner can't "brainwash" public any more than single owner can.

Comr. Bartley noted that he voted for Mrs. Bullitt's station purchases, hence is willing to weigh cases individually—but that "in general, I favor local ownership."

Comr. Hyde observed that Govt. has policy against monopoly in other regulated fields—despite fact they don't have spectrum scarcity problem inherent in TV—and made no bones about his leanings toward diversification.

Comr. Ford wondered why investors are willing to tie up funds in long competitive hearings for initial CPs but not in possible hearings on sales. Mrs. Bullitt opined: "A lot of applicants wouldn't do it again." Comr. Craven indicated belief that initial hearing doesn't require as great a tieup of capital.

* * * *

Mrs. Bullitt's prepared testimony stressed pioneering done by her organization when KING-TV & AM were losing \$12,000 monthly in 1949, and she detailed the extensive & expensive coverage done by her stations through pooling of personnel & equipment. One particularly costly event was Dave Beck hearing in Washington, carried live and

fed to other stations—but part of the time underwritten solely by her Seattle & Portland stations.

After describing stations' prize-winning programs, Mrs. Bullitt concluded: "Local ownership per se does not create the ability to serve the community with sensitivity. . . . My effort here today has been to present to you some of the facts which show that the freedom of successful single owners to expand their operations is one which is very much in the public interest. I hope you will not find it necessary further to restrict that freedom in an effort to cure what I am convinced are phantom evils."

* * * *

Weston C. Pullen Jr., Time Inc. v.p. for broadcasting, with whom the late FCC chairman Wayne Coy was associated after leaving public office, also emphasized program quality and local manager's "almost complete autonomy in the conduct of his day-to-day broadcast affairs, subject of course to the policies and directives of his board."

Pullen described stations' expansion of programming, with heavy emphasis on news facilities, and TLF's record in plant improvement. He asserted TLF has no advantage over single owners in dealing with networks, reps, film distributors, etc.—that each manager has complete responsibility for program clearances, renewal negotiations, rate increases, station compensation.

Pullen pointed to fact TLF's TV & radio stations are affiliated with 3 networks, said they don't get any special advantage from belonging to multiple owner. Though all TLF stations are represented by Katz Agency, Pullen said 4 of the 5 had Katz before TLF bought them. He said TLF achieves some savings this way but that money is ploughed back into programming. He added that, in his opinion, rep compensation was "upside-down"; that a salesman's percentage should increase with volume.

Among advantages of group ownership cited by Pullen: sharing of station-produced public service films, exchange of programming & selling ideas, services of Washington Time-Life bureau newsman detailed to stations.

Pullen defended acquisition of stations via purchase—said Time Inc. had no qualms about competitive hearings. "Over the years," he said, "we have concluded that our original judgment was well-founded, for the uncertainties and delays inherent in comparative proceedings made it imprudent from a business point of view for us to commit substantial funds for indefinite periods of time with an absence of predictable results and the concomitant negative effect upon other opportunities to employ our resources."

Pullen said Time Inc. gives stations no editorial direction. Why did Time enter the business? "Our whole business approach is that of communicating to the public. We have a lot of talent. We're interested in profit. We wanted to take a more active part in the broadcasting picture."

* * * *

Veteran broadcaster Hugh B. Terry, founder & pres. of TLF subsidiary KLZ-TV, Denver, flatly contradicted Barrow Report's assumption that local and single owners can provide better service. "Since Time Inc. purchased KLZ & KLZ-TV," he said, "they have rendered a better service to the community than ever before. The staff is better paid, facilities have been improved and public service time and over-all program service have been increased both quantitatively and qualitatively."

Interesting angle brought up by Terry, who has managed KLZ since 1941: "The freedom of action in the

general field of programming and newscasting is possibly greater than could ever be enjoyed under local owners who may, of necessity, be affected in their judgment by local friendship, local pressures and other considerations of a subjective nature."

Terry's answer to Commission's search for program quality: "Marginal and submarginal licensees should be penalized [through license renewal proceedings], but certainly the newcomer should not be favored at the expense of a multiple owner by virtue of false presumptions arising solely from his place of residence and lack of broadcast interests and experience."

Much of Terry's testimony was devoted to description of KLZ-TV's programs and numerous awards garnered, plus rundown of staff's record of civic activity. "In addition to financial backing," he asserted, "we have the unqualified moral backing of the company to produce a program service commensurate with the reputation of the parent company."

* * * *

CBS pres. Frank Stanton took another swipe at Barrow Report March 17, speaking at ceremonies marking CBS takeover of KMOX-TV, St. Louis (Ch. 4): "What some men have put together, others are trying to put asunder. There are efforts, here and there, to atomize, fragmentize and generally pound the networks into small pieces. Such proposals are made—usually, I believe—by people who do not foresee the consequences of what they propose, which would be, simply and suddenly, to cut all the cords of the parachutes and let everything tumble to earth as it would . . .

"It is ironic that the proposals are usually heard more often in Washington, home of the Federal Govt., than anywhere else. For surely the strengths of a *United States of America* become more essentially obvious every day. I venture to say that the combined uniting force of the TV camera and the network is the greatest uniting force we have had in America since St. Louis was a frontier trading post. It is still so new that more people realize its *extent* than realize its *necessity*."

Obituary

Arde Bulova, 69, chairman of Bulova Watch Co., onetime owner of New York's WNEW and other radio stations that were supervised for him by the late Harold A. Lafount, of Utah, member of the old Federal Radio Commission, died March 19 in Encino, Cal. His firm is one of the nation's largest watchmakers, in recent years has also made small radios. His widow, 4 sisters survive.

Mrs. Philip J. Hennessey Jr., wife of the partner of Smith & Hennessey, Washington communications law specialists, died March 21 at her home, 7540 Hampden Lane, Bethesda, Md. Besides her husband, 2 young sons survive.

Edward T. Ingle, 60, onetime director of TV & radio for the Republican National Committee, ex-NBC, veteran newspaperman, died at Garfield Hospital in Washington March 21. Surviving are widow, 2 brothers.

James E. Sauter, 56, pres. of Air Features Inc., veteran daytime radio serial producer, wartime head of USO Camp Shows, recently semi-retired because of heart trouble, died of a cerebral hemorrhage in N. Y. March 18.

Montgomery Wright, 65, onetime RCA public relations man, recently with Voice of America, died March 19 of a heart attack in his N. Y. home.

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Personal Notes: Louis S. Simon, sales mgr., promoted to gen. mgr. of KPIX, San Francisco, Philip G. Lasky being named Westinghouse executive in charge of West Coast TV-radio operations; he and Herbert L. Bachman, gen. mgr. of KEX, Portland, report to Lasky . . . Mike Shapiro has resigned as exec. v.p. & managing director, KTUL-TV, Tulsa, William D. Swanson being promoted to succeed him . . . Franklin C. Snyder, McCann-Erickson v.p. & director of accounts, Cleveland, original mgr. of present WJW-TV, Cleveland, wound up his agency job this week, will take vacation before reporting April 14 as managing director of upcoming WTAE, Pittsburgh (Ch. 4), due on air in early Sept.; his sales mgr. will be Alan Trench, engineering supervisor James H. Greenwood, both from radio WCAE, and he will report to Leonard Kapner, WCAE Inc. pres. . . . Leo A. Ribitski, ex-program mgr. of WNAO-TV, Raleigh, named program mgr. of WSUN-TV, St. Petersburg, succeeding Charles W. (Chad) Mason, resigned to become gen. mgr. of upcoming WEDU, Tampa (Ch. 3, educational) due in fall . . . Douglas B. Kahle, ex-radio KWIN, Ashland, Ore., and other stations in Colo., Cal., Wyo., joins broker Allen Kander as Pacific Coast representative . . . Edgar H. Twamley, ex-mgr. of radios WBEN, Buffalo & WOC, Davenport, recently engaged in Cal. real estate, named western representative for station broker Paul H. Chapman Co., headquartering at 33 W. Micheltorena St., Santa Barbara, Cal. (Woodland 6-7713) . . . Frank G. King, ex-sales v.p. of KOVR, Stockton, named national sales director of new KTVU, Oakland-San Francisco (Ch. 2) . . . Robert P. Engelke, ex-NBC, named ABC-TV mgr. of sales development . . . Sterling (Red) Quinlan, ABC v.p. in charge of WBKB, Chicago, has completed novel, tentatively titled *Merger*, based on TV-radio industry, which Doubleday will publish next autumn . . . Howard B. Anderson, midwest mgr. of ABC Film Syndication, promoted to new post of mgr., central sales div., headquartering at 360 N. Michigan Ave., Chicago . . . Victor E. Carmichael named v.p.-gen. mgr. of radio KWK, St. Louis, following transfer of KWK-TV (Ch. 4) to CBS, now operating it as KMOX-TV (Vol. 14:9) . . . Donald P.

Roger W. Clipp, of Triangle Stations (WFIL-TV, Philadelphia, etc.), named chairman of TV Code Review Board of NAB, succeeding Wm. B. Quarton, WMT-TV, Cedar Rapids. E. K. Hartenbower, KCMO-TV, Kansas City, was appointed to board; Donald H. McGannon, pres. of Westinghouse group, reappointed. Other members: Mrs. Hugh McClung, KHSL-TV, Chico, Cal.; Richard A. Borel, WBNS-TV, Columbus.

H. Earl Barber, legal asst. to FCC Comr. Mack, also has resigned, will return to Miami. Mack's engineering asst. John E. Doane, a career Commission employe, will be placed elsewhere on staff; same is expected for career secretaries Frankie L. Fox and Lillian Watson. Confidential asst. Frances Kreeger leaves Commission April 1.

Campbell, ex-Storer, appointed administrative asst. to E. K. Jett, v.p. & director of WMAR-TV, Baltimore . . . David H. Polinger, ex-WAPA, San Juan, P. R., joins WABC-TV, N. Y. . . . Lawrence J. Pollock promoted from ABN director of research to research & sales development director of WABC-TV, N. Y. . . . Glenn G. Griswold, ex-gen. mgr. of KFEQ-TV, St. Joseph, Mo. named mgr. of KOMU-TV, Columbia, Mo. (Ch. 8) . . . Edgar S. Wood, ex-KDKA-TV & WTVN-TV, named director of news & public affairs, WLW-C, Columbus, succeeding Spencer Allen who has joined KMOX-TV, St. Louis (Vol. 14:11) . . . Ross Parker, from WNEP-TV, named chief engineer of combined WNEP-TV, Scranton & WILK-TV, Wilkes-Barre; Hal Berg, from WILK-TV, program director . . . Tom Wischart promoted to gen. mgr. of KAVE-TV, Carlsbad, N. M. . . . Tom Cinquina, ex-Chicago mgr. of Forjoe sales rep, joins John Blair radio rep office there . . . Tom Frawley named news director of WHIO-TV, Dayton . . . Robert W. Ferguson, exec. v.p., WTRF-TV, Wheeling, elected pres. of W. Va. Bcstrs. Assn. . . . Al Kees promoted to asst. chief engineer of KPIX-TV, San Francisco, succeeding Bill Burgess, resigned to join Lockheed . . . Warren L. Braun, ex-mgr. of engineering, rejoins WWSA-TV, Harrisonburg, Va. as asst. gen. mgr. . . . Jack Wartlieb promoted to production mgr. of WBBM-TV, Chicago, succeeding Don Dillon . . . Dave Lee, ex-promotion director of WTCN-TV, Minneapolis, named public relations director of KMGM-TV there . . . Alan Herbert, program director of radio WCFR, Springfield, Vt., elected pres. of new UP Bcstrs. Assn. of Vt.; John Sullivan, WCAX-TV, Burlington, elected v.p. . . . John D. Kelly, ex-Storer, appointed sales mgr. of radio WINS, N. Y. . . . George Dorsey Jr., ex-Universal-International Pictures, ex-WRC-TV, Washington, named mgr. of Allied Motion Picture Center Inc., Washington . . . Robert M. Koenig is pres. of new Advantage Film Sales, 1040 N. Las Palmas, Hollywood, formed to syndicate TV film commercials for use by local sponsors . . . William R. Gibbs, ex-Young & Rubicam, named director of MGM-TV commercial & industrial div., succeeding Virgil Ellsworth, resigned . . . A. Harry Becker, Washington communications attorney, has moved to Pennsylvania Bldg. (Executive 3-3003) . . . Stephen A. Flynn promoted to NBC-TV sales services director, Joseph J. Iaricci to contract services mgr., Angus Robinson to central div. network sales mgr., Chicago . . . Robert L. (Bud) Swats Jr., ex-*Time & Life* and NBC Radio, Detroit, named mgr. of CBS-TV network sales, Detroit.

Correction: John W. Esau, reported here last week as newly elected N. W. Ayer v.p. is not the John Esau, ex-mgr. of KTVQ, Oklahoma City, and KTUL, Tulsa, who is now gen. mgr. of KWVL-TV, Waterloo, Ia. (Ch. 7)

Maurice B. Mitchell, ex-CBS, NBC & NAB executive, now pres. of Encyclopaedia Britannica Films Inc., which is associated with Wm. Benton's Encyclopaedia Britannica Inc. (of which station broker Allen Kander is a director), is author of "A Forward Look in Communications" featuring newly released 1958 *Britannica Book of the Year*.

Leonard H. Marks, partner of Cohn & Marks, leaves March 28 by plane for New Delhi where, at the behest of the Indian Embassy and under auspices of State Dept.'s cultural exchange program, he will lecture on constitutional law and trade regulations; he returns about May 1.

Broadcasters Club of Washington opened for drinks this week, plans formal opening in April, at 1737 DeSales St. N.W.

MGM Plans Live TV: First major movie studio to produce live TV shows will be MGM if negotiations with Robert Saudek Assoc. (*Omnibus*, etc.) are completed. Spokesman for MGM's parent Loew's Inc. this week confirmed reports that bargaining with Saudek—although "still in the talking stage"—has been under way several months, plan being for MGM to join in 6 "spectaculars" per year at minimum cost of \$350,000 each. In other movie-TV developments this week: (1) ABC bought TV rights to new Biblical action series from Guild Films for \$1,465,000. (2) N. Y. Supreme Court Judge Dineen reserved decision on plea by Republic Pictures to dismiss stockholders' challenge of studio's \$2,000,000 sale of post-1948 features to NBC stations (Vol. 14:11). (3) United Artists announced out-of-court settlement of Federal court suit against No. Cal. theatre owner James Nasser for "unauthorized" TV exhibition of 4 movies; terms weren't disclosed.

Protest against U. S. films on British TV elicited BBC announcement this week that plans are already afoot to reduce amount of American material to 9.09% of broadcast time in April. Assn. of Cinematograph, TV & Allied Technicians complained that "9 out of 12" American films "are based on crime and violence," adding "only reassuring feature [is] that 90% of victims are Americans." Spokesman for Independent TV said American films occupy about 13% of broadcast time.

Jack Benny lost parody case in Supreme Court this week, 4-4 decision upholding Court of Appeals ruling that his CBS-TV "Autolight" burlesque of Loew's Inc. movie "Gaslight" (Vol. 14:5) violated copyright laws. Tie decision by high court carried no opinions, so scope of effect on parodies generally wasn't clear, but lower court had held that Benny's use of "substance" of movie's script constituted plagiarism.

Tele-Broadcasters Inc., only radio station grouping whose common stock is traded over-the-counter, reports 1957 revenues of \$771,078 and operating profit of \$79,104 plus gain of \$43,553 on sale of radio stations. In 1956, revenues were \$423,063, operating profit \$28,612 plus gain of \$13,694 on sale of radio stations. At start of year, firm had earned surplus of \$7846 as against deficit of \$20,866 year before. Current assets totaled \$131,751, other assets \$2404, property & equipment \$538,923, intangible assets \$479,472—for total assets of \$1,170,551. Current liabilities were \$268,330, long-term liabilities \$724,130, total capital stock & surplus \$178,091. Firm's president is H. Scott Kilgore, veteran broadcaster; its headquarters are 41 E. 42nd St., N. Y. During 1957, it acquired radios KALI, Pasadena, Cal.; WPOW, New York City; KTIK, Seattle—adding these to previously owned WPOP, Hartford & KUDL, Kansas City after selling WKKL, Concord, N. H. & WKVX, Knoxville. Last Jan. 1, it also acquired 2-year lease and 10-year renewal option on XEGM, Tijuana, Mexico (2.5-kw N & 3.5-kw LS on 950 kc) with offices in San Diego, and this week it applied to purchase KVSM, San Mateo, Cal. from Albert Zugsmith group for more than \$600,000 (see 1958 *AM-FM Addenda I*).

Frank Sinatra's entry to station ownership through \$2,000,000 purchase of 3 radios—KJR, Seattle; KXL, Portland; KNEW, Spokane—has been approved by FCC (Vol. 13:52). Sellers are Lester M. Smith & wife and Lincoln Dellar & wife, each holding 25%.

ADVERTISING NOTES: Bob Cole succeeds Franklin C. Snyder April 1 as v.p. & director of accounts, Cleveland office of McCann-Erickson, Snyder going to Pittsburgh to manage upcoming WTAE, Pittsburgh (Ch. 4) [see Personal Notes] . . . Deane Uptegrove, exec. v.p. & director of H. B. Humphrey, Alley & Richards Inc., N. Y., elected pres., succeeding Charles Holcomb who resigned last June . . . Arthur W. Weil Jr. and Lawrence D. Benedict elected v.p.'s of Donahue & Coe, N. Y. . . . Peter Geer, son of pres. Solon Geer, named v.p. & director of Geer, DuBois & Co., N. Y. . . . Robert T. Nathe, Robert C. Kelly and Charles A. Winchester elected v.p.'s of Doherty, Clifford, Steers & Shenfield, N. Y. . . . John C. Sterling, chairman of *This Week* magazine is new head of Advertising Council, succeeding Louis N. Brockway, exec. v.p. of Young & Rubicam . . . John H. Eckstein, ex-adv. & promotion director for ABC-TV, named broadcast accounts director, Wexton Co., N. Y. . . . Carl Phares Jr., ex-Alexander Grant & Co., named Kudner controller & asst. treas. of Kudner, N. Y.; Richard W. Clemmer, ex-NBC, joins Kudner as TV producer . . . Robert H. Alter promoted to regional sales mgr. of RAB, succeeding John T. Curry who has joined Grey Adv. . . . Mayers Co. Inc., Los Angeles, becomes independent agency Sept. 1, dissolving 15-month affiliation with Cunningham & Walsh as Los Angeles div.

Rambeau, Vance, Hopple Inc. is new name for William G. Rambeau rep firm, with Robert R. Vance Jr., Edwards Hopple & Martin Rokeach named v.p.'s and Wm. G. Rambeau as pres. New subsidiary College Radio Corp. sells time on college radio stations.

New reps: WITI-TV, Milwaukee, to Blair TV Assoc. May 1 (from Branham); KTVH, Hutchinson-Wichita, to Blair TV Assoc. June 1 (from H-R Television); WINK-TV, Ft. Myers, Fla. to Walker (from McGillivray).

Venard, Rintoul & McConnell rep firm names Clyde Melville Co., Dallas, to handle Southwest accounts.

CBS Inc. annual report released this week calls its TV network "the world's largest advertising medium" (1957 advertiser expenditures, nearly \$240,000,000 before discounts and including talent & production, according to PIB, Vol. 14:6)—and repeats previously reported (Vol. 14:7) record revenue sales figure of \$358,409,000 vs. \$354,780,000 in 1956, net profit \$22,193,000 (\$2.90 per share vs \$2.13). Year ended with total current assets of \$160,875,000, current liabilities \$67,878,000, value of plant, investment, other assets \$154,992,000, long-term liabilities \$56,643,000, capital stock \$19,703,000, capital surplus \$12,876,000, net earnings retained for use in business \$65,770,000. Report states CBS Radio network increased revenues during year; Columbia Records' sales went up nearly 40%; CBS-Hytron, though still losing money, increased unit sales of transistors by 70%; CBS International sales and profits "substantially improved" over 1956, selling kits of parts for TV sets as well as TV station equipment in Argentina, Brazil & Mexico last year.

Pay-TV proponents found a champion this week in Senator Neuberger (D-Ore.), who took to Senate floor March 21 to denounce "premature propaganda campaign" waged by networks. He said he hasn't made up his mind about merits of toll TV but that networks' actions remind him of kind of case "buggy-whip producers" could have made against Henry Ford, or what someone with "monopoly on smoke signals" might have done to block first printing press. Pay TV should be "tested in the market place," he asserted.

Battle of Broadcast Music: First round of legislative fight by ASCAP-supporting Songwriters Protective Assn. to knock out BMI by enactment of Smathers Bill (S-2834) ended this week, referee declaring himself confused.

"I doubt that there is anybody in the world who knows how I feel about this, because I don't know myself," Chairman Pastore (D-R. I.) of Senate Commerce communications subcommittee said after 2 weeks of hearings on BMI death-sentence measure sponsored by Sen. Smathers (D-Fla.).

Pastore recessed proceedings until April 15, when networks & stations which control BMI will start 5 scheduled days of counter-punching on broadcast music issues. After that will come rebuttal by SPA, sur-rebuttal by BMI. Then whole record of testimony will be sent to FCC & Justice Dept. for study & comment—and possible additional hearings—before subcommittee votes on bill, Pastore said.

* * * *

Rat-a-tat-tat charges of BMI "monopoly," discrimination against ASCAP and "degradation" of music which marked opening of SPA's Senate assault on broadcasters' organization (Vol. 14:11) continued to fill Capitol hearing room this week, SPA counsel John Schulman winding up March 20:

"We believe that legislation is essential to preserve the public's right to hear other music, particularly other new music, as well as that bearing the BMI brand. Congress should make it clear that the purpose of a broadcast license is to serve the public, not to sell music & phonograph records produced & owned by the licensee."

But Pastore never got clear answer from any SPA witness to "big, serious" question which subcommittee chairman posed earlier in hearings: "If we sever BMI's jugular vein, do we get back to monopoly as we had in 1940?" He referred to ASCAP's once-tight music controls (against which broadcasters organized BMI) which were loosened by Justice Dept. anti-trust consent decree.

Smathers himself showed little interest in own bill, which would prohibit broadcasters from engaging "directly or indirectly" in business of music publishing or recording. He appeared briefly at outset of hearings, agreed with Pastore that measure needed clarification—such as whether local dept. store owner who also owned radio station could sell phono records. But he absented himself this week, leaving hearings to Pastore and Sen. Potter (R-Mich.), who had few questions.

* * * *

House Small Business subcommittee headed by Rep. Roosevelt (D-Cal.), meanwhile, slowed down to virtual stop in hearings in which ASCAP itself was on defensive against charges by group of own members that "power-house" board of directors monopolized its operations (Vol. 14:11).

After hearing ASCAP dissidents led by composer Hans J. Lengsfelder, Roosevelt called on ASCAP officials, including accounts supervisor Richard Murray, to explain & justify ASCAP rules & procedures which Lengsfelder charged discriminate against small-time members.

Murray said that ASCAP received "less than a dozen

complaints a year" from its 5000 writer-publisher members over rates of performance payments. ("That's amazing," Roosevelt commented.) But Murray admitted that "our interpretations [of ASCAP rulings] are as complicated as the income tax laws."

Roosevelt finally suspended his subcommittee's investigation of ASCAP practices until at least March 25, asking ASCAP counsel Herman Finkelstein in interim to submit further explanatory briefs.

* * * *

In Senate sector of broadcast music battle such anti-BMI salvos as these were heard from pro-ASCAP witnesses:

Burton Lane, composer. ("Finian's Rainbow") and Songwriters Protective Assn. pres.—"This [BMI] monopoly power by its very makeup has damaged and will always be a threat to songwriters & publishers who are not under the control of broadcasters & BMI . . . [SPA has] no connection with ASCAP."

Martha Rountree, ex-Meet the Press and Press Conference producer, now pres. of radio WKTF, Warrenton, Va.—"Over 90% of the single records available for broadcasting today which we are sent [by publishers & recording companies] are BMI."

Seymour M. Lazar, Beverly Hills lawyer—"Broadcasters use BMI to keep the bargaining position of ASCAP down [and] through 'advances' or 'subsidies' BMI has directly controlled & suppressed ASCAP music. Broadcasters organized BMI to suppress ASCAP music in order to avoid paying ASCAP royalties." (In his testimony SPA counsel Schulman acknowledged that ASCAP boasts its music represents 80%-90% of broadcast performances, noted that in fiscal 1957 BMI received \$9,500,000 from networks & stations, ASCAP about \$20,000,000.)

Mrs. Du Bose Heyward, widow of "Porgy & Bess" author—"I do believe that it is wrong for the broadcasters to be in the music business. Why should they be permitted to promote music they own?"

* * * *

Rex Stout, detective novelist and Authors League v.p.—"I have observed with growing apprehension how the broadcasting industry combine is abusing its public trust for commercial gain, in exercising censorship & arbitrary control repugnant to the American tradition of freedom of expression [to] manipulate the music field . . . [BMI] acts not only like a company union, but it acts like a company union licensed by the Govt. of the United States."

Eddie Dowling, composer-author-actor-playwright-producer—"[BMI is] as menacing an amalgamation of power as has ever appeared on the American scene. . . . The influence [of broadcasting facilities] is currently being employed in an industry-wide effort to suppress music that the broadcasting industry does not control."

Paul Creston, symphonic composer and National Assn. for American Composers & Conductors pres.—"I believe that in the field of music as well as in other American business enterprises, merit should be the determinant of recognition and that the broadcasters holding a vital power in the recognition of music should not be allowed to further their own music interests."



TV film handling techniques are covered in new *Film Manual, 1957-58* issued by NAB (35pp., \$1 to non-members). Booklet discusses organization of station film dept., purchasing, technical aspects, etc.

New & Upcoming Stations: No more new stations are due in March and only 2 are now scheduled for April debuts: KVIQ-TV, Eureka, Cal. (Ch. 6), which will operate in affiliation with KVIP-TV, Redding, Cal. (Ch. 7) [for details, see Vol. 14:11], and educational KNME, Albuquerque, N. M. (Ch. 5), as reported below. John Boler's KXAB-TV, Aberdeen, S. D. (Ch. 9) has been delayed by weather, won't get going until later in spring as affiliate of KXJB-TV, Valley City-Fargo, N. D. (Ch. 4). On-air boxscore remains at 535 (92 uhf).

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

KNME-TV, Albuquerque, N. M. (Ch. 5, educational) plans mid-April start now that KOB-TV (Ch. 4) has provided transmitter, reports Bernarr Cooper, director of TV-radio for grantee U of New Mexico. Microwave connection between campus studio building and transmitter is ready and connection of transmitter with KOB-TV auxiliary tower on Sandia Crest is scheduled within 2 weeks.

KCMT, Alexandria, Minn. (Ch. 7) has ordered RCA equipment and plans late spring start, reports mgr. Glenn Flint for grantee Central Minnesota TV Co., whose owners are dominantly local (Joseph A. Perino, pres. mgr. of electric company) but also include E. C. Reineke, pres. of WDAY-TV, Fargo, N. D.; Thomas K. Barnes, WDAY-TV gen. mgr.; Julius Hetland, WDAY-TV technical director. Transmitter house at Westport, 20 mi. SE of Alexandria, is completed and footings have been poured for 1000-ft. Stainless guyed tower, which will have RCA traveling wave antenna. Studio-office building in Alexandria is nearly ready. Rep not chosen, though WDAY-TV has Peters, Griffin, Woodward Inc.

WJCT, Jacksonville, Fla. (Ch. 7, educational) now has no specific target, but expects to have 5-kw GE transmitter, donated by WMBR-TV there, hooked up by April 1, reports Heywood Dowling, pres. of grantee Educational Television Inc. Alford antenna has been installed on WFGA-TV tower at 843-ft. level. WMBR-TV studios will be used, but transmitter and film equipment will be located in WFGA-TV transmitter house.

Two vhf drop-ins were authorized by FCC this week—Ch. 3, Harrisburg, Ill.; educational Ch. 8, Carbondale, Ill. WSIL-TV, Harrisburg (Ch. 22) is authorized to shift temporarily to Ch. 3, pending outcome of potential competitive hearing for the new channel. Commission denied petitions of 3 uhfs—WICS, Springfield (Ch. 20); WCHU, Champaign (Ch. 33); WTVP, Decatur (Ch. 17)—to deintermix area by taking away or making educational the Ch. 3 held by WCIA, Champaign. FCC also turned down Sarkes Tarzian's petition to add Ch. 13 to Cartter, Ill. [For details, see *TV Addenda 26-H* herewith.]

Owners of WFBC-TV, Greenville, N. C. (Ch. 4), headed by Roger C. Peace and Robert A. Jolley, are buying radio WORD, Spartanburg, S.C. for \$136,000 from WORD Inc. Selling principal, with 49.9%, is Irwin Kahn, also pres. & 30.9% owner of WNOK-TV, Columbia, S.C. (Ch. 69) & WNOK. Broker: Paul H. Chapman Co.

Television Zoomar's super studio lens being demonstrated in San Diego area this week, sales mgr. Bill Pegler completing tour of Midwest & Southwest.

Power increase: KOB-TV, Albuquerque (Ch. 4) March 1 boosted power to 27-kw at Sandia Crest site, 10,833 ft. above sea level.

Full control of KRGV-TV, Weslaco, Tex. (Ch. 5) & KRGV will be held by Mrs. Lyndon B. Johnson's LBJ Co., which is increasing holdings to 100% by acquiring additional 50% from radio rep O. L. Taylor for \$100,000, according to application filed with FCC. Taylor is to remain as consultant to LBJ Co. for 10 years, with \$5000 minimum annual fee. LBJ Co. is licensee of KTBC-TV, Austin, Tex. (Ch. 7) & KTBC; owns 29% of KWTX-TV, Waco, Tex. (Ch. 10) & KWTX; KWTX Bestg. Co. owns 50% of KBTX-TV, Bryan, Tex. (Ch. 3). LBJ acquired original 50% of KRGV-TV from Taylor in 1956 for \$5000 and loan of \$140,000 (Vol. 12:11, 14) and on April 1, 1957 took over 50% of radio KRGV under \$50,000 option agreement. Un-audited Jan. 31 LBJ Co. balance sheet shows \$1,190,110 surplus, \$690,166 current assets, \$345,296 current liabilities, \$423,019 permanent (fixed) assets, \$155,000 long-term indebtedness, \$746,794 other assets such as notes receivable and stocks.

Sale of 25% of KTVI, St. Louis (Ch. 2) to *St. Louis Globe-Democrat* (Newhouse) has been consummated, now that KWK-TV (Ch. 4), in which newspaper held 23%, has been transferred to CBS, which began operating it March 16 as KMOX-TV (Vol. 14:9). Newhouse acquires KTVI stock from co-owners Paul Peltason & Harry Tenenbaum for more than \$500,000, paying \$31,000 for 310,000 shares, remainder being loan to station and assumption of obligations (Vol. 13:43). Option for approximately 10% of KTVI is held by Louisiana Purchase Co. stockholders, rival applicant for Ch. 2 (Vol. 14:6, 8). When this is consummated, *Globe-Democrat* will own 22.7%, Peltason & Tenenbaum, 33.6% each. [For other Newhouse TV-radio-newspaper holdings, see *TV Factbook No. 26*, pp. 379 & 383.]

Control of WMBV-TV, Marinette-Green Bay, Wis. (Ch. 11) and radio WMAM will now be held by Morgan Murphy interests—FCC this week having approved transfer of 75% from present stockholders for \$211,764 cash, deal also including assumption of \$360,000 obligations (Vol. 13:52, 14:2). Murphy's *Superior Telegram* will own 55%; Walter C. Bridges, 10%; Norman M. Postles, 10%; Charles Goldberg, 7.5%; John Stang, 7.5%; pres. W. E. Walker, 5% (formerly 50%); gen. mgr. Joseph D. Mackin, 5% (formerly 23.3%). New owners also control WEAU-TV, Eau Claire (Ch. 13) and are affiliated with WISC-TV, Madison (Ch. 3). [For other Morgan Murphy interests, see *TV Factbook No. 26*, p. 378.]

WKXP-TV, Lexington, Ky. (Ch. 27) has been acquired by Radio Cincinnati Inc. (Hulbert Taft Jr., pres.) for \$200,000, including liabilities. Radio affiliate WLAP has been sold to John B. Poor, RKO Teleradio Pictures v.p., for \$322,500. Sellers, each with 1/2, are Frederic Gregg, Charles Wright & Harry Feingold, who acquired CP for Ch. 27 when they purchased radio WLAP from Gilmore N. Nunn for \$346,000 last year (Vol. 13:3). New WKXP-TV owner, operator of vhf stations in Cincinnati, Columbus, Birmingham & Knoxville, plans to feed it programs from WKRC-TV, Cincinnati (Ch. 12). Transactions were handled by R. C. Crisler.

W-TWO, Bangor, Me. (Ch. 2) has been sold for undisclosed sum by pres. Murray Carpenter and wife to Maine Bestg. Co., operator of radio WLBZ, Bangor, owned by the Wm. H. Rines interests. Latter also operates WCSH-TV, Portland (Ch. 6) & WCSH and radio WRDO, Augusta. Exchanges of programs are planned, no personnel changes contemplated.

Do You Know That . . .

CHIEF ENGINEERS of the FCC, by and large, have been above reproach. They've hewed to job of advising Commission, rarely ran off on pet tangents of their own. What prompts this observation is the recent cock-eyed attack by Rep. Moulder (D-Mo.), in which he accused Commission of tailoring its TV standards to favor some manufacturers, freezing out others who could make better and cheaper equipment (Vol. 14:10).

FCC's engineering has been off kilter at times, particularly in radio & TV allocations—even Commission will agree—but causes have been political usually, not ignorance nor off-beat zeal of Commission engineers. Their reputations are clean—only exception we can recall is an equipment-sales scandal in several field offices years ago, involving men who've left Govt.

Musing over Moulder's charges, we were impelled to look up records of FCC and old Federal Radio Commission. Here's some background on the men who have held down the top job over the years.

When FRC was established in 1927, it had 5 commissioners and a secretary—but no staff. So other govt. agencies loaned men on temporary basis. Navy Capt. S. C. Hooper was first, serving until July 25, 1928. After leaving, he became an Admiral, was director of Naval Communications 1928-32, held several other top positions until retirement, died April 6, 1955.

Bureau of Standards then detailed Dr. J. Howard Dellinger to the job, which he held Aug. 1, 1928-March 31, 1929. He returned to Bureau, retired from govt. service in 1948, served as consultant to various organizations, including Radio Technical Commission for Aeronautics. Now 72, he retired completely Jan. 1 this year, lives in Washington.

Comdr. T. A. M. Craven, the FCC commissioner, was detailed by Navy as asst. to Dellinger Aug. 27, 1928. He left for private consulting practice in 1930, returned to FCC as chief engineer Dec. 2, 1935. He served as a commissioner July 1, 1937-June 30, 1944, resigned to become a v.p. of Cowles Broadcasting Co. In 1949, he joined firm of Craven, Lohnes & Culver, engineering consultants, came back as a commissioner July 1, 1956 for 7-year term, succeeding retiring Comr. Edward M. Webster.

Army sent Capt. Guy Hill over to FRC, and he became acting chief April 1, 1929. We can't find anyone who knows much about his activities after he left March 1, 1930. He's said to have gone to South Africa, remaining there until death a few years ago.

Translator starts: K7OBC, Twentynine Palms & Marine Corps Base, Cal. began tests March 4 repeating KRCA, Los Angeles; K76AI, Powers, Ore. began Feb. 26 repeating KPIC-TV, Roseburg; K81AA, W. Richland-Benton, Wash. began Feb. 20 repeating KHQ-TV, Spokane. K70AT, K80AI & K75AF, Ely, Nev. reported March 17 that they were on regular test pattern schedule, repeating KSL-TV, KTVT & KUTV, Salt Lake City; Ely programs are also being rebroadcast by K73AH, K78AE & K83AD, McGill, Nev. W70AA, Olean, N. Y. plans May 15 start repeating WBUF, Buffalo.

First all-night TV schedule in Canada started March 14 over CKVR-TV, Barrie, Ont. After-midnight schedule will include movies, news, weather, sports.

Congress made FRC a permanent organization in 1930, and Dr. C. B. Jolliffe, from Bureau of Standards, became its first permanent chief engineer. He held job through transition to FCC in 1934-35, joined RCA in 1935—is now its v.p. & technical director.

Craven held post next, was succeeded Jan. 1, 1938 by asst. chief E. K. (Jack) Jett, who was elevated to commissioner Feb. 15, 1944 and served until resigning to head up Baltimore Sunpaper's WMAR-TV, where he's v.p. & TV director.

George P. Adair moved up to take over from Jett, held job Feb. 16, 1944-March 30, 1947, resigning to establish firm of his own in Washington, and it's still flourishing.

George E. Sterling had mighty long career in govt. service. An early wireless man, author of a standard handbook on radio, he became a radio inspector for Commerce Dept.'s Bureau of Navigation in 1923, served in Commerce Dept.'s radio div., then with field force of FRC & FCC. He was made FCC chief engineer March 21, 1947, a commissioner Jan. 2, 1948, retired Sept. 30, 1954. He now splits time between his Peak Island, Me. summer home and his daughters' homes in Baltimore.

Curtis B. Plummer joined Commission in 1940, moved up ranks, served in chief's chair April 3, 1950-May 2, 1951. New Broadcast Bureau was established and he became its chief, held that job until Aug. 1, 1955 when appointed Chief of Safety & Special Radio Services Bureau—position he still holds.

Incumbent Edward W. Allen holds distinction of longest tenure—since June 27, 1951. He came to Commission from Patent Office in 1935 (he's also a lawyer) and was chief of technical information div. before moving up to chief engineer.

Asst. chief John A. (Doc) Willoughby served as acting chief engineer, between Sterling and Plummer, was asst. to the chief before retiring Oct. 31, 1957, still lives in Washington.

* * * *

FRC & FCC have had a lot of distinguished assistant chiefs, too. They're somewhat harder to track down. Here are some who come to mind: V. Ford Greaves, who went to FRC west coast office, retired and lives in Paradise, Cal.; Andrew D. Ring, who heads Washington consulting firm; Commodore Edward M. Webster, who later became a commissioner, took on consulting chores after retiring June 30, 1956; Philip F. Siling, now director of RCA Frequency Bureau in Washington; George O. Sutton, also an attorney, who practices law in Washington; Capt. W. G. H. Finch, who later served in Navy and now runs FM station WGHF, Brookfield, Conn.; Gerald C. Gross, now asst. secy. general, International Telecommunication Union, Geneva.

Community antenna association meetings: NCTA annual, 1958, Mayflower Hotel, Washington, June 10-12; NCTA annual, 1959, Penn-Sheraton Hotel, Pittsburgh, June 17-19; Pacific Northwest Community TV Assn., semi-annual, 1958, Davenport Hotel, Spokane, March 18-19; NCTA annual western regional conference, 1958, Multnomah Hotel, Portland, Ore., Nov. 4-6.

New "Tele-Trol" units offered by Jerrold are Model TD receiver-demodulator and Model TM transmitter-demodulator—for offair pickup and distribution use by stations, microwaves, closed-circuit and community antenna systems.

Latest Ampex Videotape apparatus deliveries: To WISH-TV, Indianapolis (Ch. 8), WBZ-TV, Boston (Ch. 4).

IMPORTS & EXCISE TAX WORRY THE EIA: Delegates to spring conference of Electronic Industries Assn. in Washington this week were generally agreed that business in consumer products lines is wobbly now, the near future uncertain, except for some items like radios and hi-fi -- and that the threat of an accelerated "Japanese invasion" of the American radio set, tube, transistor and parts markets (Vol. 14:6) isn't helping this year's prospects much. As ex-pres. H. Leslie Hoffman of Los Angeles put it, "We are being hurt now and we will be hurt more."

That was week's main topic of curricular and extra-curricular discussions -- that and a renewed determination to seek excise tax relief on TV and radio sets and on phonographs by pushing once again for reduction from present 10% down to 5%.

The Japanese problem impelled EIA's consumer products, parts and tube & semiconductor divisions and the board of directors, acting chairman Robert Sprague presiding, to set up a special committee of directors "to explore available avenues for protection of the domestic industry with power to act, if necessary, before the next board meeting in mid-May." Motorola's Paul V. Galvin heads committee, which includes Hoffman, Russ Cramer (Radio Condenser Co.) and Ray Ellis, chief of EIA int'l dept.

It's a tough and possibly insuperable problem the American industry faces, its main hope being that the Govt. can be persuaded to impose an import quota system inasmuch as present foreign policy precludes higher tariffs. Items affected are in so-called "luxury" class and, since Japan still buys more from us than she sells us, the industry cannot very easily sustain hardship arguments and seek escape clauses.

But it rankles to contemplate that maybe 1,000,000 radios -- the nice-selling transistorized portables -- will probably come in from Japan this year (figure was 641,000 last year) besides an incalculable number of radios and hi-fi's from West Germany. Also, that Japanese transistor production is leaping to a 50,000,000 total this year, mostly destined for the U.S. and Japan's other world markets.

There's thought Japan may impose voluntary ceiling on its exports, as it reportedly has done in the cases of shirts and stainless steelware, in order to keep its U.S. dollar-aid relationship on firm footing. Some even cling to belief American buyers will patriotically reject any flood of Japanese receivers, despite their lower prices (only \$19.95 list quoted on some transistor sets) -- and of course there's deep resentment that some items come in under usurped American-advertised labels.

[For further report on import situation, see p. 14.]

STEREO IS INDUSTRY'S BRIGHT STAR FOR FALL: Stereo sound and "remote-control" TV were principal topics of corridor talk among consumer products and components manufacturers at this week's EIA spring meeting in Washington. Stereo was widely touted as the bright new star on the fall market horizon. Remote-control -- a gimmick which Zenith's "Space Command" proved would titillate the fancy of the buying public -- was discussed as a "sure feature" in many fall lines -- although none would admit to a definite commitment at this time.

"You're in the room," was the enthusiastic comment on stereo from Leslie H. Muter, pres. of Muter Co. (resistors, condensers, speakers, etc.). It's the one big thing in "entertainment electronics" that seems to have real market potential -- that and remote-control TV which, as another manufacturer put it, "really excites" the man who is looking for something new in TV.

Stereo is getting the long, hard look on several fronts right now. Quietly, CBS Labs this week demonstrated to the record industry a "compatible" stereo record with a cartridge for compatibility with existing records, which has a diamond head

and which may go to phono makers for about \$10. It's production tooled item, ready for mass production, and it's the product of the researches of Peter Goldmark, pres. & research director of CBS Labs; B. B. Bauer, ex-Shure engineering v.p.; W. S. Bachman, director of engineering research & development.

CBS is thus joined in the competitive race with Electro-Voice, Webster Electric, Sonotone, Ronette, et al -- and of course claims its unit is the best.

* * * *

Race to bring stereo to market this fall gets a big boost in N.Y. this week with IRE scientists going into it exhaustively and first showing at IRE convention of "flip-over" cartridge -- 2 needles, plays all records, regarded by some in the trade as essential to mass marketing of stereo so as not to obsolete existing record libraries. Up to now, announced and planned stereo cartridges have been single-needle variety which won't play standard 78rpm records.

Electro-Voice, which showed first stereo cartridge to industry back in Jan. (Vol. 14:4) believes its "flip-over" cartridge will intrigue the product engineers from the phono-maker factories who are putting the new stereo packages together. While we haven't seen it, we're told "flip-over" has basic 0.7 mil stereo needle, plays 33 & 45rpm monaural records; second needle uses 3 mil point to play 78s. Sales v.p. Lawrence LeKashman says he will be off tools with new Model 66 this week with a price to original equipment manufacturers "under \$2." His cartridge is power point type "which plugs into any monaural or stereo arm."

* * * *

Meanwhile, single needle stereo cartridges are beginning to flow to phono makers, prices ranging from \$2.50 to \$4 for single-needle versions with sapphire heads. Component makers are far ahead of packagers. Hi-fi shows around the country are featuring displays of extra amplifiers, extra speakers needed to stereoize. In special section of N.Y. Times (March 19), celebrating 10th anniversary of the LP record, component makers advertised combinations for converting to stereo -- one complete outfit retailing for \$274.

TV-Radio Production: TV set production was 88,598 week ended March 14 vs. 87,508 preceding week & 121,927 in 1957. Year's 10th week brought production to 989,029 vs. 1,134,763 last year. Radio production was 170,434 (41,942 auto) vs. 180,165 (52,069 auto) preceding week & 343,054 (135,937 auto) last year. For 10 weeks, production totaled 2,100,384 (714,623 auto) vs. 2,924,770 (1,316,120 auto).

THE STORY OF ZENITH'S SPURT: Zenith Radio's annual report, dated March 7 but mailed to stockholders this week, is released coincident with persistent but unverifiable reports that pres. E. F. McDonald Jr. is ailing again in Chicago after a respite in Florida. Be that as it may, the annual report is a masterpiece from a stockholder relations and publicity standpoint. And it has plenty to brag about.

Profusely illustrated in color, picturing all Zenith consumer products on the obvious and tenable theory that satisfied stockholders are a good customer base, it sets forth again the company's previously announced (Vol.14:9) record 1957 sales of \$160,018,978 and net profit of \$8,165,577 (\$16.58 per share) in a market that was downbeat for nearly all its competitors; income was up 13% from the \$141,529,855 of 1956, profit up 32% from \$6,178,717 (\$12.55). In addition, the firm's strong financial position is reflected in current assets of \$65,076,882, current liabilities of \$19,889,063, earned surplus of \$60,853,452 -- latter item including the \$10,000,000 due Zenith and tube subsidiary Rauland at rate of \$1,000,000 a year in settlement of patent litigation with RCA-GE-Western Electric (Vol. 14:9).

Some of reasons for firm's phenomenal showing in face of industry recession are indicated in details of report: Good product generally, and especially success of remote TV tuning (without wires); upsurge in radio sales, expected to show "even

greater growth in 1958 because of the stimulating effect of transistor usage in portable sets and larger higher frequency receivers"; 33% increase in TV-radio exports in face of industry decline of 9%, and plans to expand further into foreign fields; Phonevision campaign, with its attendant vast publicity. In Phonevision, the stockholders are told, Zenith will profit from producing and selling decoders.

There are too many other aspects of the report to detail here -- but we commend it to all management as a worthy model for effective self-dramatization.

The Export-Import Trade: Detailed data is still sparse—and it's anybody's guess at this time just how far Japanese electronics products, and those of other countries, will encroach upon the American market henceforth (see p. 12). What is known is that, as of last year, our electronics exports were 10-15 times greater than imports; that every receiver that went overseas had a full complement of tubes and parts that might not otherwise have been sold; that approximately 5% of U.S. receiving tube production and 8% of picture tubes went into exports, besides those that were incorporated in end equipment.

EIA's international dept. is authority for the foregoing, and as basis for discussions of the import threat at Washington conferences this week, it also reported that U.S. commercial exports of electronics equipment and parts during 1957 declined only slightly from the record \$330,000,000 of 1956, and that some 10% of the industry's non-military production went into world market.

Included in these shipments were 298,000 radios, 156,000 TVs, 22,000,000 receiving tubes, 766,000 TV picture tubes, 2,700,000 transistors & diodes, 34,700,000 capacitors, 36,600,000 resistors, 461,000 loudspeakers. In addition, there were substantial sales of military electronic equipment to friendly foreign governments and income from licensing and technical agreements with overseas manufacturers.

"The import picture," says EIA, "is considerably more difficult to analyze due to the outdated govt. statistical categories in the field and, in many cases, the equally poor export data of our major foreign suppliers." Electronics Div., Business & Defense Services Administration, has estimated 1957 electronic imports around \$20,000,000 vs. \$13,000,000 in 1956.

Radio apparatus imported in 1957 was valued at \$15,300,000, up from \$8,500,000—Japan accounting for \$5,600,000, West Germany \$5,000,000, U.K. \$1,900,000, Netherlands \$1,300,000. Imports of TV apparatus, picture tubes & sets were \$300,000 in 1957 vs. \$193,000 in 1956.

Japan's own export statistics show it shipped 641,000 portable radios to the U.S. in 1957 vs. 368,000 in 1956. Expectation is that 1,000,000 transistorized portables will be sent to the U.S. market this year. A trade source estimates Germany sent 200,000 radios last year vs. 117,500 year before. Great Britain supplied only about 10,000 vs. 5586. Japan's receiving tube sales in U.S. were mere 14,000 units, whereas Britain doubled its tube exports to 2,500,000.

There are no figures on transistors, though the radios shipped here were mostly transistorized and it's reported Japan's booming transistor industry is hiking its production to 50,000,000 units this year from 8,000,000 last year (Vol. 14:6). Nor are figures available on phonos from Germany. British record changers totaled 534,000 in first 9 months of 1957 and 569,000 in all of 1956.

Trade Personals: Henry E. Bowes has been promoted from Philco v.p. & gen. mgr., TV div., to v.p.-marketing for all Philco divs. He succeeds John M. Otter, exec-v.p. for distribution who assumes duties not yet announced . . . Marvin G. Whitney, administrative asst., John Stevens, director of engineering & manufacturing and Charles A. Nichols, chief engineer, promoted to v.p.'s of Hoffman Electronics consumer products div. . . . Karel van Gessel promoted to v.p. & managing director of Sylvania International div., including supervision of subsidiaries in Switzerland, Cuba, Mexico, Brazil . . . H. J. Benham promoted to mgr., central service region (Chicago) of RCA technical products service dept. . . . Edward J. Wilder promoted to new post of asst. sales mgr., Gates Radio, Quincy, Ill. . . . Carroll M. White leaves EIA's mobile radio communication dept. to become exec. secy. of Special Industrial Radio Service Assn., 600 Munsey Bldg., Washington . . . George Avakian, ex-Columbia Records, joins World Pacific Records as full partner . . . Abraham B. Cohen resigns as engineering mgr. of University Loudspeakers to set up own business . . . Stanley Rosenberg, gen. mgr. of Telectro Industries Corp. (tape recorder) also named secy.-treas. . . . Jack D. Hughes, Littlefuse Inc., elected an EIA representative on board of Electronics Parts Distributors Show, succeeding Roy S. Laird, Ohmite . . . Vincent T. Frungillo promoted to mgr. of manufacturing cost control, Sylvania TV tubes div.

DISTRIBUTOR NOTES: Modern Distributing Co., Cincinnati (Sylvania, V-M), has ceased operations; successor not named . . . Philco names Larry London adv. & sales promotion mgr. of Los Angeles branch; promotes Edward Cherry to succeed him in Chicago branch; names James Lucas, ex-Norge to assist Cherry . . . Columbia Records promotes Reginald Gussman to sales mgr. New England-upstate N. Y. district of phono div., replacing Birch Ripley, resigned . . . Kierulff & Co., Los Angeles (Motorola), names Sam Grasinger, ex-Sun Ray Stove, sales mgr. of Motorola div., succeeding Jack Fitzpatrick who resigned to join GE . . . Morton Cherof resigns as partner in Emerson Radio of Conn., Hartford.

Canadian GE promotes Bruce W. Donaldson to mid-west district mgr., Winnipeg, succeeding R. N. Fournier, transferred to Toronto headquarters as gen. mgr., wholesale dept. R. J. Bridgman succeeds Donaldson as sales mgr. of appliances, Toronto. Alfred M. Hurley promoted to mgr. of newly formed Alberta district, Calgary, succeeded by Arthur W. Goldstone in apparatus & supplies sales, Quebec district. Goldstone's London, Ont. branch combines with Windsor district.

H. Leslie Hoffman, pres. of Hoffman Electronics Corp., past president of Electronic Industries Assn., has been voted recipient of 1958 EIA Medal of Honor, to be presented at annual convention dinner in Chicago May 22.

"Radio Is Close to You" is theme of May National Radio Month.

Defense Cut Hurts: Right now, the entire electronic industry is feeling the effects of last summer's big cut in defense spending. And, the post-Sputnik expansion in original armament planning has not yet been reflected in orders for components and equipment from the prime govt. contractors.

That was consensus of manufacturers, big and small, attending EIA's spring conference in Washington this week. The going has been rough since the first of the year. Varying degrees of optimism—and pessimism—permeated the conference in direct ratio to the individual's interest in consumer business. Those with a big stake in industrial and defense spending believed 1958 would turn out about as good or a little better than 1957.

Those more dependent on Mr. John Public to buy their wares were less encouraging. Most manufacturers thought unit sales in radio and TV would stick close to 1957 figures, but, with rising costs, profits would be down.

We asked when defense orders for components and equipment might be expected from prime contractors. A few—very few—said they might start coming in next month, April. Most said the big bulk of new orders won't start to flow until Aug. or Sept. Second half of 1958 ought to be good unless Defense Dept. changes its mind again or Congress goes on another economy spree, neither of which seems likely at this writing.

Particularly encouraging were remarks by Robert C. Sprague, chairman, Sprague Electric Co., past pres. of EIA, who predicted a steady increase in electronic purchases by the military with 25% of defense spending in 1959 going for electronics. He noted that last year's industry dollar volume reached \$7.6 billion of which \$3.9 billion represented sales to the Armed Services and that this compared with only \$500,000,000 as recently as 1950.

Japanese TV No Threat: Although Japanese production of radios & transistors is considered a formidable threat to U. S. markets (see p. 12), TV in Japan is strictly a domestic situation. Unless Japan begins to seek ways to use its transistor production in manufacture of TV, there's no present possibility of TV threat to U. S.

By U. S. criteria, Japan is long way from saturation of own market. Japan has population of 90,000,000 vs. 160,000,000 here, but sets-in-use are just under 1,000,000 vs. 47,000,000 in U. S. Set production was about 600,000 in 1957 vs. 6,400,000 here, and is estimated at 1,000,000 units in 1958 vs. 7,000,000 in U. S.

TV began in Japan with 189 units in 1952, rose to 136,505 in 1955 and reached 312,098 in 1956 when average set had factory value of \$160 and retailed at about \$220—with 92% of production 14-in. sets. Of some 34 makers, 10 did 90% of business.

TV hardly exists in breakdown of total Japanese TV-radio equipment & components import-export analysis available from Commerce Dept. (Document 25458, 12 pp., \$2). TV receivers represent but 0.2% of value of imports; TV-radio parts, 2%; radio receivers, 0.4%. TV sets represent but 0.6% of exports; parts, 9.3%—while radio receivers represent whopping 56%.

Color TV in Japan is still 3 years away, according to recent reports in *Japan Times*, Tokyo English-language newspaper, which also reported that manufacturer Tokyo Shibura was asking Govt. permission to import 30 color picture tubes from U. S. and \$500,000 in TV receiver parts in order to join Nippon Electric and Matsushita Electric in color TV experimentation.

GE To Make Phonos: Only major TV-radio manufacturer not now on the flourishing phono bandwagon, GE announced this week that it will offer a phono line this fall. Its housewares & radio receiver div., Bridgeport, Conn., gets the line; W. P. Von Behren gen. mgr. of the radio dept., heads up the operation. Portable and console sets, made in GE's Utica radio plant will be shown at June summer market in Chicago.

GE's entry into the phono field has been regarded as "inevitable" in trade circles for 2 years, but announcement ends speculation whether Bridgeport, Syracuse or Auburn (where GE now makes all hi-fi components except tuners and changers) will market the line. Some trade sources guessed Syracuse, since TV unit there has distribution setup for big ticket items; wholesaling channels out of Bridgeport are tailored to mass movement and multiple distribution pattern for housewares.

Assignment of phonos to Bridgeport was regarded in some quarters as clue that GE will aim for penetration into low-end phono market, leaving high-end to audiophile market already catered by Auburn.

Transistorized Battery TV: Prototype TV receiver, entirely transistorized, and miniature 4-lb. TV camera are linked in first demonstration of transistorized closed-circuit TV system by RCA scheduled for IRE convention in N.Y. March 24. Described as "laboratory unit," receiver has 14-in. picture tube, 26 transistors, one high-voltage rectifier; camera uses miniature ½-in. Vidicon pickup tube, standard 8mm motion picture lens. Dr. James Hillier, v.p. of RCA Labs, says equipment, which is strictly developmental, is "a long step toward even more flexible TV receivers, cameras and closed-circuit systems for home and industry." But he does not predict when they may be ready for market. Receiver can be operated by a rechargeable storage battery, dry battery within the set, 12-volt auto battery through a connection with the cigarette lighter or household current. It weighs about 20 lbs. Camera, similarly, will operate from batteries or household current.

ELECTRONICS PERSONALS: Adm. E. Dorsey Foster (USN ret.), v.p. & gen. mgr. of RCA electronic datum-processing div., elected director of Delaware Income Fund . . . Lt. Col. Louis H. Wilson (USAF ret.) named head of new RCA defense electronics products office, Colorado Springs . . . Donald C. Dickson, ex-Hoffman Electronic, appointed product mgr. for diodes, Motorola semiconductor div. . . Norman Caplan, ex-Bendix Aviation, named mgr., communications products dept., RCA Telecommunications div. . . William M. Richardson, ex-Ramo-Wooldrige, heads Washington office of BJ Electronics div., Borg Warner . . . Alfred E. Teachman, ex-MIT's Lincoln lab, joins Page Communications, Washington, as project mgr. . . David C. Pinkerton promoted to mgr. of advance engineering of GE communications products dept., succeeding R. P. Gifford, recently named mgr. of engineering . . . Chester A. Grondzik, ex-Emerson, appointed works mgr. of Entron Inc., Bladensburg, Md. . . Dr. Alan M. Glover appointed gen. mgr. of new RCA semiconductor and materials div., William T. Warrender gen. projects mgr., with headquarters at Somerville, N. J.

TV sales to Canadian dealers in 1957 declined to 470,823 sets vs. 612,871 year earlier, RETMA of Canada reports. Radio sales were 577,930 vs. 577,205.

Financial Reports:

Hazeltine's gross 1957 income, including royalties, was \$61,562,484, consolidated net income after taxes and all known charges being \$2,030,612. Gross billings less provision for contract adjustments, royalties and miscellaneous were \$55,700,484. Annual report for 1956 listed "total billings under govt. contracts and subcontracts" as \$42,708,480 (Vol. 13:12) and earnings of \$1,873,162. Chairman W. A. McDonald and pres. P. F. LaFollette reported 1957 billings on govt. contracts and subcontracts "reached a new high for any wholly peacetime year," but 3 factors accounted for net profit not keeping pace with rise in sales; (1) Reduced royalties. (2) Varying policies of Defense dept. (3) Rising costs. Notice to stockholders of annual meeting in Dover, Del., April 8 showed these executive-director salaries and stock holdings: chairman McDonald, \$65,048 (owns 2625 shares); pres. LaFollette, \$49,388 (2000 shares); v.p. L. B. Dodds, \$51,745 (522); exec. v.p. W. M. McFarland, \$38,680 (734); v.p. J. B. Dow, \$34,024.

Decca Records earned \$3,972,514 (\$2.48 per share) on sales & royalties of \$31,774,276 in 1957 vs. \$4,543,902 (\$2.84) on \$26,832,460 in 1956, pres. Milton R. Rackmil explaining decline in income last year was due to lower returns from Universal Pictures (Vol. 14:6,) in which Decca has 81.4% interest. Decca record div.'s pre-tax income rose to new high of \$5,232,718 last year vs. \$4,424,056 in 1956. Rackmil said he expects company to maintain regular 25¢ quarterly dividend rate this year. Note: Universal Pictures, also headed by Rackmil, lost \$400,000-\$450,000 in first fiscal quarter ended Jan. 31, annual meeting in N. Y. was told recently. In same period year earlier company earned \$163,786 (12¢). Universal has suspended feature production at studios "to take stock," plans to resume July 1.

Oak Mfg. Co. top officer-director remunerations for 1957, as reported in proxy statement for April 24 annual meeting in Chicago offices: Elof Sandstrom, chairman, \$60,194 (holds 8140 shares of common stock); Robert A. O'Reilly, pres., \$60,194 (2450 shares); Edward J. Mastney, v.p., \$33,455 (2275); Harry J. Veitch, v.p., \$33,455 (188).

Dividends: Motorola, 37½¢ payable April 11 to stockholders of record March 28; Hoffman, 25¢ March 31 to holders March 17; Howard W. Sams, 12¢ April 25 to holders April 15; Loew's (Marcus), \$1 March 31 to holders March 14; Universal Pictures, dividend omitted; Columbia Pictures, dividend omitted.

American Electronics Inc. earned \$603,650, or 93¢ a share on 651,794 shares outstanding in 1957 vs. \$376,128 (73¢ on 517,860 shares) in 1956.

Siegler Corp. earned \$389,179 (26¢ per share) on sales of \$22,616,971 in 2nd fiscal quarter ended last Dec. 31 following merger of Unitronics Corp. (Olympic Radio & TV, David Bogen, Presto Recording) and Hufford Corp. (guided missiles equipment) vs. \$267,934 (36¢) on \$6,706,463 in same period year earlier. For 6 months, consolidated net income was \$757,781 (50¢) on \$39,279,806 vs. \$539,953 (73¢) on \$13,587,849. Lower Siegler profit rate in comparison with sales was attributed by pres. John G. Brooks partly to expenses of mergers last Sept. and unexpected decline in sales of Centralia Heater and General Water Heater divs. Olympic div. reported "remarkable" calendar year sales & earnings increases with TV set sales up 19% over 1956, he added. Export TV sales increased 45%, export radio 37.2%, with business expanding particularly in Latin American markets, where Olympic pres. Morris Sobin saw outlook for even better 1958. He claimed Hallamore div. was biggest supplier of closed-circuit TV systems to military, doubling sales in 6 mo. ended Dec. 31.

Philco's 1957 officer-director salaries and stockholdings as disclosed in proxy statement for April 8 annual meeting in Philadelphia: pres. James M. Skinner Jr., \$72,083, owns 10,157 shares of common; exec. v.p.'s Joseph H. Gillies, \$45,000 (6122 shares); Larry F. Hardy, \$45,000 (6590); John M. Otter, \$50,000 (8504); Leslie J. Woods, \$45,000 (7073); treas. Wm. R. Wilson, \$32,500 (15,331). Ex-chairman Wm. Balderston, who retired Jan. 1, received \$55,875 (stockholdings not disclosed). Proxy asked stockholders to vote on proposal to lift \$50,000,000 capital borrowing limitation.

Reports & comments available: On Westinghouse, in *Review of Hirsch & Co.*, 25 Broad St., N. Y. On Hoffman, in report by H. Hentz & Co., 60 Beaver St., N. Y. On CBS, in opinion by L. O. Hooper of W. E. Hutton & Co., 14 Wall St., N. Y. On Electronic Specialty Co., in review by Henry J. Low of Gude, Winmill & Co., 1 Wall St., N. Y. On Boston Herald-Traveler, in brief by Schirmer, Atherton & Co., 50 Congress St., Boston. On 1958 production & sales of TV sets, in survey by Arnold Bernhard & Co., 5 E. 44th St., N. Y.

International Resistance earned \$469,870 (35¢ per share) in 1957 on sales of \$15,374,721 vs. \$523,416 (39¢) on \$16,787,913 in 1956. Pres. Charles Weyl attributed 10.2% drop in profits and 8.4% in sales to "cutbacks & stretch-outs in military spending beginning in mid-1957 and to severe reductions in orders from manufacturers of consumer products in Nov. & Dec."

Texas Instruments earned \$3,765,362 (\$1.11 per share on 2,256,988 shares outstanding) on sales of \$67,338,574 in 1957 vs. \$2,349,103 (72¢ on 3,008,275) on \$48,699,398 sales in 1956.

OFFICERS-&DIRECTORS stock transactions as reported to SEC for Feb.: Allied Artists—Maurice Goldstein bought 1000, holds 13,100; Sam Wolf bought 3100, holds 20,050. Avco—George E. Allen bought 1000, holds 2500; Rudolph H. Deetjen bought 1500, holds 2500; Arthur H. Jones bought 200, holds 200; Kendrick B. Wilson Jr. bought 900, holds 2500. CBS—Arthur L. Chapman bought 500 "A," holds 500; Lewis Gordon bought 100 "A," holds 460; Clarence H. Hopper bought 100 "B," holds 202; Merle S. Jones bought 100 "B," holds 100. Columbia Pictures—Alfred Hart bought 2000, holds 5919. Corning Glass—Paul T. Clark exercised option to buy 500, holds 500; Frederick H. Knight sold 200, holds 2985. Davega—Leonard Cohn bought 1000, holds 16,023. Decca Records—Milton R. Rackmil bought 200 as co-trustee, holds 10,400 as co-trustee, 1713 personally.

DuMont Labs—George G. McConeghy bought 100, holds 200. Emerson—Max Abrams bought 4700, holds 105,209 personally, 13,355 in trusts, 65,001 in foundations. GE—Ralph J. Cordiner exercised option to buy 4500, holds 18,155; Ray H. Luebbe sold 1000, holds 7460; C. K. Rieger sold 325, holds 3134; Chauncey Guy Suits sold 750, holds 4274; Arthur F. Vinson sold 1167, holds 5745. Guild Films—D. Van Alstyne Jr. sold 4000 and 1500 more through Van Alstyne Noel & Co., holds 9507 personally, 6333 in Van Alstyne Noel. Loew's—K. T. Keller sold 200, holds none; J. Howard McGrath bought 500, holds 500. National Telefilm Assoc.—Bernard Tabakin

sold 500 "A," holds 3100. Paramount Pictures—Maurice Newton bought 300, holds 1000; Randolph C. Wood sold 8040, holds 31,860.

Philco—John M. Otter sold 500, holds 7934. RCA—Ewen C. Anderson acquired 150, holds 327; Orrin E. Dunlap Jr. acquired 123, holds 536; Elmer W. Engstrom acquired 145, holds 1573; Ernest B. Gorin acquired 139, holds 539; Charles B. Jolliffe acquired 131, holds 1224; Charles M. Odorizzi acquired 125, holds 1426; Emanuel Sacks acquired 163, held 1065; Robert W. Sarnoff acquired 160, holds 651; Theodore A. Smith acquired 135, holds 476; Edward M. Tuft acquired 133, holds 402; W. W. Watts acquired 126, holds 366; Robert L. Werner acquired 149, holds 936—all under RCA incentive plan. Republic Pictures—Douglas T. Yates sold 10,000 through Tonrud Inc., holds 196,337 in Tonrud, 3777 personally; Herbert J. Yates bought 10,000, holds 67,160. Siegler—Robert L. Purcell sold 2000, holds 10,003; Donald Royce sold 1500, holds 11,916.

Skiatron Electronics & TV—James M. Landis exercised April, 1957 option to buy 25,000, sold 4000, holds 27,275; Arthur Levey sold 11,200 in private transactions, holds 355,181; J. R. Poppele exercised option to buy 1000, sold 1000, holds 4900. Tung-Sol—Anthony Scala bought 1000, sold 1000 from joint account, holds 2030 personally, 30 in joint account. Warner Bros.—B. S. Taplinger sold 500, holds 500. Westinghouse—Tomlinson Fort sold 200, holds 1351; Leslie E. Lynde bought 300, holds 2128.

On Raising Capital: Electronics and related electronic entertainment firms raised substantial amounts of new capital during latter half of 1957 via publicly-sold and privately-placed securities issues. Jan. 27 *Investment Dealers' Digest* lists these public issues (all common shares unless otherwise specified):

Amphenol Electronics, \$5,500,000, 200,000 shares @ 27½, thru Hornblower & Weeks. Walt Disney Productions, 400,000 @ 21¾, Goldman Sachs & Co., Lehman Bros., Kidder, Peabody & Co. Electro Instruments Inc., 150,000 @ 12½, Bear, Stearns & Co. with Paine Webber, Jackson & Curtis. Electronic Research Associates, 100,000 @ 3, Singer, Bean & Mackie. Emerson Electric, \$3,390,000 conv. sub. 5½% debentures, Smith, Barney & Co., Van Alstyne, Noel & Co. with Newhard, Cook & Co. Haydu Electronic Products, 100,000 @ 3, Barry & Co. Hewlett-Packard Co., 300,000 @ 16, Blyth & Co. Hycon Mfg. Co., 400,000 @ 3, Dempsey-Tegeler & Co.

Minneapolis-Honeywell, 331,237 @ 85, Eastman, Dillon & Union Securities. National Telefilm Associates, \$5,000,000 sub. notes, 6s, 1962, and 350,000 sh. @ 7¾, Crutenden, Podesta & Co. with Cantor Fitzgerald & Co. and Westhelmer & Co. Narda Microwave Corp., 90,000 @ 3, Milton D. Blauner & Co. Perkin-Elmer Corp., 75,000 @ 20, Blyth & Co. Sanders Associates, 100,000 @ 15, Kidder, Peabody & Co. Siegler Corp., 320,000 @ 15, 5000 @ 20½, William R. Staats & Co. Teletudios Inc., 180,000 @ 1½, Joseph Mandell Co. Texas Instruments Inc., conv. 4.48% pfd. called for payment, Morgan Stanley & Co. Tracerlab Inc., 112,661 @ 6, Lee Higginson Corp. Tung-Sol Electric, 100,000 conv. 5% pfd. @ 50, Harriman Ripley & Co. Victoreen Instrument Co., \$700,000 conv. sub. debentures, 6s 1967, Saunders, Stiver & Co.

Also reported for July-Dec. period were these privately placed securities, all term notes and nearly all through insurance companies, for Aeroquip Corp., \$1,000,000; Aircraft Radio, \$1,600,000; Audio Devices, \$1,000,000 (thru Carl M. Loeb, Rhoades & Co.); C&C Films, C&C Pan Atlantic TV Co. and C&C International Film Corp., \$225,000 jt. notes/1960 @ \$78.22. C&C International Film Corp., \$61,856 gtd. notes, 6s @ \$94.13. C&C Pan Atlantic TV Co., \$1,292,782 gtd. notes, 6s, 1960 @ \$94.13; Perkin-Elmer, \$2,000,000; Siegler Corp., \$3,000,000; Tung-Sol Electric, \$5,000,000.

General Instrument Corp. has completed purchase of Radio Receptor Co. (Vol. 13:15), remaining 14% of outstanding stock of 35-year-old electronics firm being acquired this week. Integration of Radio Receptor's research, engineering & manufacturing operations (semi-conductor devices for TV, radio, industrial & commercial uses, and heat-sealing apparatus) is well under way.

Electronics Portfolio Report: Electronics Investment Corp., mutual fund founded & headed by ex-San Diego broadcaster Charles E. Salik, reports net assets of \$14,756,141 as of Jan. 31. Portfolio included \$11,320,284 shares of common stock, \$419,105 preferred, \$933,824 bonds, \$1,050,366 U. S. Govt. obligations. Portfolio changes during Oct. 31 - Jan. 31 quarter:

Purchases: 500 shares of Airborne Instruments Lab (making total of 4000); 2900 AB-PT (total 12,900); 200 American Machine & Foundry (total 5200); 1700 Amphenol (total 6700); 2000 Ampex; 2000 Bell & Gossett (total 12,000); 898 CBS "A" (total 2999); 2000 Eitel-McCullough; 1750 General Telephone (total 7000); 3500 Hewlett-Packard; 3000 High Voltage Engineering; 1600 Hoffman Electronics (total 6600); 2000 P. R. Mallory (total 10,000); 5000 Midwestern Instruments (total 11,000); 500 Raytheon (total 9800); 400 Sprague Electric (total 5400); 3000 Statham Instruments (total 8000); 1000 Varian Assoc.; 2000 Westinghouse (total 5000); 3500 Eastern Industries conv. pfd. (total 8500); \$15,000 Epsco 5½% conv. notes 1963; \$200,000 Federal National Mortgage Assn. 4.2% due Oct. 10, 1958; \$50,000 Federal Loan Bank notes 3.3% due July 15, 1958.

Sales: 2100 Amp Inc. (holds 1852); 5000 Allis-Chalmers; 10,000 Clewite; 3000 Cutler Hammer; 500 Daystrom (holds 9500); 2500 Epsco (holds 7500); 300 IBM (holds 1025); 1700 Minn. Mining & Mfg.; 3300 Square "D" (holds 5700); \$100,000 Federal Home Loan Bank notes 3.95%.

Motorola's transistorized portable TV should be "on the market in a couple of years," pres. Robert W. Galvin told reporters in San Francisco. He said it would cost \$500 at retail if produced now and, while it won't be that much later on, it will still be in "premium class."

Magnavox plans \$1,000,000 expansion of its Greenville & Jefferson City, Tenn. plants, enlarging assembly, cabinetmaking, warehouse facilities.

Sales Down, Profits Up: Hoffman Electronics Corp., with about half of its gross income now derived from defense contracts of subsidiary Hoffman Laboratories Inc. under pres. James D. McLean, suffered drop in 1957 sales to \$40,968,617 from 1956 total of \$46,580,279. But net income went up to \$1,655,372 (\$2.25 per share on 735,610 shares outstanding) from \$1,601,974 (\$2.19) in 1956—this in spite of decrease in TV set sales, \$2,500,000 expended on research & development, \$2,000,000 plant & machinery program. Radio and hi-fi sales held up, says annual report, and semi-conductor sales increased. Firm has contracts for solar energy controls in Vanguard. During year, Hoffman closed out company-owned consumer product distributorships in all but Los Angeles & Portland. Ratio of profit to sales was 4% against 3.4% in 1956.

Biggest business of them all, AT&T in 1957 paid its over-\$30,000 officers-directors: Frederick R. Kappel, pres., \$187,500 (owns 1000 shares); Eugene J. McNeely, exec. v.p., \$130,370 (260 shares); Cleo F. Craig, chairman of board until May 31, 1957 & member of executive committee, \$113,283 (1000), Clifton W. Phalen, exec. v.p., \$107,750 (205); Arthur W. Page, \$11,600 as director & member of exec. committee, \$25,000 as consultant (170). Ex-pres. Craig now receives \$70,243 annually from pension fund. Figures are from proxy statement in advance of annual stockholders' meeting on April 16 in N. Y. Top GE salaries for 1957: Philip D. Reed, chairman, \$168,740, owns 35,651 shares of common; Ralph J. Cordiner, pres., \$264,973 (41,639); Robert Paxton, exec. v.p., \$170,603 (28,294).

Top Westinghouse officer-director 1957 salaries and stockholdings, as reported in proxy statement for April 2 annual meeting: Gwilym A. Price, chairman, \$138,779, owns 6116 shares of common; Mark W. Cresap Jr., pres., \$109,979 (1627 shares); E. V. Huggins, v.p. & chairman, exec. committee, \$53,239 (2054); J. K. Hodnette, exec. v.p., \$97,767 (2463); L. E. Osborne, resigned vice chairman & director, \$95,100.

Excitement over educational TV in N. Y. is beginning to build up, now that state GOP legislative leadership has endorsed appropriation of \$370,000 to finance programming on WOR-TV (Ch. 9) for 7 months starting Sept. 1. Last week, N. Y. State Board of Regents and WOR-TV agreed to let education have full use of its facilities 9 a.m.-5 p.m. weekdays, 9 a.m.-noon Sat. (Vol. 14:11). Indicative of enthusiasm generated is comment of TV critic Jack Gould in March 18 *N. Y. Times*: "The art of teaching is going to be brought out in the open where all can savor it. The availability of 43 hours of education a week on TV is bound to make many persons a little more aware of the continuing adventure of learning. Whatever the headaches, controversies and disappointments—and there will be some of all—the introduction of educational TV on Ch. 9 is decidedly worth the effort."

Transistorized portable clock radio, introduced this week by Emerson as "world's first," weighs about 2 lbs., has 8 transistors, lists for \$88. Combination is about size of an ordinary novel; maker claims clock will operate 3-5 years on single battery.

Hearings on Langer bill (S-582) to ban beer & liquor advertising in interstate commerce have been postponed to April 22-24 from April 14 by Senate Commerce Committee.

RCA shipped 12-kw transmitter March 13 to WICS, Springfield, Ill. (Ch. 20), planning boost to 512-kw at new site.

COMMON STOCK QUOTATIONS

Week Ending Friday, March 21, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1957-8		Stock and Div.	Close	Wk. Chng	1957-8		Stock and Div.	Close	Wk. Chng
High	Low				High	Low			
14%	6%	Admiral.....	8%	-1/4	376 1/2	270 1/2	IBM 2.60.....	343 1/2	+7
27	16 1/2	AmBosch 30e..	21 1/2	-1	37 1/2	25 1/2	IT&T 1.80.....	32	-3/8
24 1/2	11 1/2	Am Bcstg-Para.1	16 1/2	+1	50 1/2	33	I-T-E CirB .45e	36 1/2	-1
43 1/2	29 1/2	AmMach&F 1.60	37	-1/4	10 1/2	6 1/2	List Indust 1/4 e.	7 1/2	+1/8
179 1/2	160	AT&T 9.....	171 1/2	+1/4	56 1/2	29 1/2	Litton Ind.....	43	+4 1/2
33 1/2	19 1/2	Amphenol 1.20.	24 1/2	-1/8	22	11 1/2	Loew's.....	13 1/2	+3/8
36 1/2	26	Arvin 2.....	27 1/2	-1/8	44	28 1/2	Magnavox 1 1/2 b.	36 1/2	-1/2
7 1/2	4 1/2	Avco .10e.....	6 1/2	+1/8	50 1/2	23 1/2	Mallory 1.40b..	26 1/2	-1 1/2
47 1/2	20 1/2	Beckm Inst 1 1/4	21 1/2	-2 1/2	131	73 1/2	Mpls. H'll 1.60a	86 1/2	-1/4
66 1/2	42	Bendix Av 2.40.	49	-1/8	51 1/2	35 1/2	Motorola 1 1/2 ..	39 1/2	+3/8
53 1/2	27 1/2	Burroughs 1... 32	+1	9 1/2	7	Nat'l Thea 1/2 ..	8 1/2	-1/8	
25 1/2	15 1/2	Clevite 1/4 e....	17 1/2	-1/2	38 1/2	28	Paramount 2....	33 1/2	+1/4
36 1/2	23 1/2	CBS "A" 1b.....	29	+1 1/2	18 1/2	11	Philco.....	15 1/2	+1/4
35 1/2	22 1/2	CBS "B" 1b.....	28 1/2	+1 1/2	40	27	RCA 1a.....	33 1/2	+1/8
20 1/2	11 1/2	Col Pictures 1/4 t	14 1/2	-1/2	23 1/2	16 1/2	Raytheon 1 1/4 t.	22 1/2	+3/8
54 1/2	25 1/2	Cons Elec. 40... 34 1/2	+2 1/2	8 1/2	4 1/2	Republic Pic.....	6 1/2	-1/8	
35 1/2	18	Cons Electron... 24 1/2	-1/8	39 1/2	29 1/2	Sang Elec 1.80.. 32	-1	1	
27 1/2	12 1/2	Cor-Dub .20e... 14	+1/4	18	12 1/2	Siegler .80.....	13 1/2	+1/4	
106 1/2	57 1/2	Corning Glass 1a	84	+1 1/2	6	2 1/2	Spartan.....	18 1/2	-1/2
6 1/2	3 1/2	Davega.....	3	...	26 1/2	17 1/2	Sperry Rand .80	7 1/2	-1/4
47	27 1/2	Daystrom 1.20.. 32 1/2	-3/4	9 1/2	5 1/2	Standard Coil... 7 1/2	...	7 1/2	...
19 1/2	13 1/2	Decca 1.....	14 1/2	...	18 1/2	13 1/2	Stanley-War 1.. 16 1/2	+1/8	...
18 1/2	13	Disney 40b.... 20 1/2	+3 1/2	41 1/2	27 1/2	Stew Warner 2b 29 1/2	...	...	...
115	81 1/2	East Kod 1.55e. 104 1/2	...	29 1/2	18 1/2	StorerBcstg 1.80 22 1/2	...	...	...
34	22 1/2	Emer Elec 1.60. 33 1/2	-1/4	46 1/2	29 1/2	Sylvania 2..... 35 1/2	...	...	...
6 1/2	3 1/2	Emerson Radio.. 5 1/2	+1/8	31 1/2	15 1/2	Texas Instru... 30 1/2	...	...	...
10 1/2	6 1/2	Gabriel .60.... 8	+3/8	89 1/2	41 1/2	ThompProd 1.40 46	...	...	...
68 1/2	46 1/2	Gen Dynamics 2 59 1/2	+1 1/2	37 1/2	21 1/2	Tung-Sol 1.40b. 26 1/2	...	...	...
72 1/2	52 1/2	Gen Electric 2.. 60 1/2	+1/2	30 1/2	19 1/2	20thC-Fox 1.60. 24 1/2	...	...	...
8 1/2	4	Gen Inst. .15g.. 5 1/2	-1/8	25 1/2	15	United Art 1.40. 19 1/2	...	...	...
47 1/2	30 1/2	GenPrEquip 2.40 37 1/2	+1/4	30 1/2	18 1/2	Univ. Pict 1a... 20 1/2	...	...	...
30 1/2	22 1/2	General Tire .70 26	-1/2	28 1/2	16 1/2	Warn Bros 1.20. 18 1/2	...	...	...
45 1/2	36 1/2	Gen Telephone2b 42	+1 1/2	68 1/2	52 1/2	Westingh 1.20. 61 1/2	...	...	...
25 1/2	17 1/2	Hoffman Elec 1. 23 1/2	+3/8	140	91 1/2	Zenith 4.....	142 1/2	+4 3/4	

AMERICAN STOCK EXCHANGE

4 1/2	2 1/2	Allied Artists..	3	-1/8	44 1/2	29 1/2	Hazeltine 1.40b.	33 1/2	-1 1/2
52 1/2	19 1/2	Allied Con 1a.. 42	+1 1/2	3 1/2	2 1/2	Herold Ra .20.. 2 1/2
21 1/2	11	Amer Electro 1/2 13 1/2	-1/4	6 1/2	3 1/2	Int Resist .20... 4
11 1/2	6 1/2	AssocArtProd.. 9 1/2	+1/4	8 1/2	4	Lear.....	5 1/2	+1/8	
12 1/2	4 1/2	Audio Dev .05d. 8 1/2	+1/8	3 1/2	1/2	Muntz TV.....	1/2	-1/8	
13 1/2	6 1/2	Belock Inst 1/4 t. 8 1/2	-1/8	3 1/2	2 1/2	Muter Co. 1/4 t. 3	...	...
1 1/2	3/4	C & C TV..... 1 1/2	-1/8	9 1/2	5 1/2	Nat'l Telefilm... 5 1/2	...	...
5	2 1/2	Clarostat .15g. 3 1/2	...	2 1/2	1	Nat Union El... 1 1/2	...	...
6 1/2	3	DuMont Lab... 4	-1/4	11 1/2	2 1/2	Norden-Ketay... 3 1/2	...	...
7 1/2	2 1/2	Dynam Am..... 3 1/2	-1/8	5	3	Oxford El .10d.. 3	...	...
12 1/2	8	Electronic Com. 12 1/2	-1/4	20 1/2	10 1/2	Philips El..... 13	...	...
12 1/2	5 1/2	Electronics Cp.. 7 1/2	-1/8	12 1/2	6 1/2	Servomech .40. 8	...	...
31 1/2	16	Fairch Cam 1/2 g. 23 1/2	-1 1/4	9	3 1/2	Skiatron..... 3 1/2	...	...
30	8 1/2	General Trans.. 21 1/2	+1/4	8 1/2	2 1/2	Technicolor... 3 1/2	...	...
20 1/2	14 1/2	Globe Un .80... 13 1/2	+1/4	5 1/2	3 1/2	Trans-Lux .20g. 4 1/2	...	...
4 1/2	2 1/2	Guild Films.... 3	+1/4						

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	2	2 1/2	Magna Theatre.....	2 1/2	3
Aerovox.....	4 1/2	5	Maxson (W. L.) .05	5 1/2	6
Airborne Inst.....	42	45	Meredith Pub 1.80a	28 1/2	30
Altec Co .80.....	7 1/2	8 1/2	National Co. (4% stk)	11 1/2	13
AMP Inc .50.....	18 1/2	19	Oak Mfg. 1.40.....	14 1/2	15
Ampex.....	55	60	Official Films .10.....	1	1 1/2
Baird Atomic.....	7 1/2	8 1/2	ORRadio.....	16 1/2	18
Cherama Inc.....	1 1/2	2	Pacific Mercury TV.....	5 1/2	6
Cherama Prod.....	1 1/2	2	Packard-Bell .50.....	11 1/2	13
Cohu Electronics.....	6 1/2	7 1/2	Panellit.....	8	9
Collins "A" .35.....	12 1/2	14	Perkin-Elmer.....	24 1/2	25 1/2
Collins "B" .35.....	12 1/2	14	Philips Lamp (14% of par)	34 1/2	36
Cook Elec. 40d.....	18	19	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems.....	4 1/2	5	Selectvision Inc.....	1/2	1/2
DuMont Bcstg.....	7 1/2	8 1/2	Sprague Electric 1.20.....	30	33
Eitel-McCullough (5% stk)	26 1/2	29	Taylor Instrument 1.20.....	27	30
Elec Assoc (stk).....	33 1/2	35	Tele-Broadcasters.....	2 1/2	3 1/2
Ernie Resistor .40b.....	6 1/2	7	Telechrome .30.....	7 1/2	8
Friden Ind. 1.....	46	49	Telecomputing.....	4 1/2	5
Gannini, G. M.....	14 1/2	15	Teleprompter (stock).....	5 1/2	6
Granco Products .05.....	1 1/2	1 1/2	Time Inc. 3.75.....	60	65
Gross Telecasting 1.60.....	16 1/2	18	Topp Industries (stock).....	9 1/2	10 1/2
Hewlett-Packard.....	22 1/2	23	Tracerlab.....	5 1/2	6
High Voltage .10g.....	33 1/2	35	Trav-Ler.....	1 1/2	2
Hycon.....	2 1/2	2 1/2	United Artists.....	5 1/2	6
Indiana Steel Products 1.20a.	18 1/2	19	Varian Associates.....	14 1/2	16
Jerold.....	1 1/2	2	Victoreen Inst.....	4 1/2	5
Ling Industries.....	6 1/2	7	Webcor .15e.....	11 1/2	13
Leeds & Northrup .60b.....	21 1/2	23	Wells-Gardner.....	6 1/2	8
Machlett Labs .25g.....	14 1/2	16	WJR Goodwill Station .50d...	11 1/2	12 1/2

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. i Declared or paid this year, dividend omitted, deferred or no action taken at last dividend meeting. j Declared or paid in 1958, plus stock dividend. l Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

A 12,000-line Picture Tube: CBS-Hytron sprang an eye-catcher this week, on eve of IRE convention in N.Y.—transmitting & receiving CR tubes capable of giving up to 12,000 lines of resolution, handling up to 400-mc bandwidth (compared with commercial TV's standard 525 lines, 6 mc). Tubes were designed under military contract—for missiles, long-range radar, map making, navigation—but CBS-Hytron foresees industrial uses such as automation control, computer read-out and information transfer. Commercial TV is frozen at 525-line standard, but techniques employed in new tubes will undoubtedly improve both black-&-white and color TV.

Though tubes are currently 7-in. & 5-in. diameter, developers say that smaller units are in the works; that within a year units capable of operating in satellites will be available.

Two factors are primarily responsible for achievement: (1) Use of very thin short-persistence phosphors, evaporated on tube face rather than settled on, similar to those developed by Naval Research Lab (Vol. 13:17-18). (2) Very small (.0005 to .001-in.) beam, highly uniform, scanning tube face with very little distortion ("inherent deflection linearity better than 1%"). Latter is accomplished in gun design—and CBS-Hytron isn't telling anyone how it's done, yet.

Tubes were developed at Newburyport, Mass. lab under direction of Norman F. Fyler, who says: "Patent investigations indicate that the device represents a broad new concept in CR tube design." More than 100 tubes with 6000-line resolution have been on test 18 months; the 12,000-line prototypes are recent. Fyler is satisfied that resolution achieved will be greater than that of commercial photography.

For prospective satellite use, it's envisioned that enclosed camera will photograph section of earth (or moon), develop picture which TV camera will scan. As satellite passes U.S. reception point, it will transmit picture to earth. What puzzles us is this: How can any picture, taken hundreds of miles above earth, show detail of military value—even with 12,000 lines of resolution? We can't get an answer on that. Fyler will describe system in more technical detail March 25-26 at Essex House in N.Y., but isn't giving paper at IRE convention.

CBS-Hytron pres. Arthur L. Chapman says that tubes will be demonstrated publicly later; that demonstrations for other military contractors have been made for 8 months. He said tubes are too costly for TV receivers but that gun improvements may be applied to picture tubes without exorbitant cost.

Colorcasting "Contest": Maybe Havana's new "Canal 12," with its plans for all-color programming 14 hours a day (Vol. 14:11) renders the issue academic—but, in fairness, the record of who carries most colorcasts should be set straight and all we can do is take claimants' word for it. Crosley's WLWT insists its 17 1/2-hours-a-week represents more local live colorcasting than any other TV station; in addition, it carries a half-hour color film weekly and 12 hours of network color for a scheduled total of 29 1/2 hours—besides occasional one-time specials, both local and network. WHDH-TV, Boston, claiming to be tops in color, recently reported 3 hours daily of local live color Mon.-Fri., 45 min. Sat. (Vol. 14:7), and WBAP-TV, Ft. Worth, also demanding rank, claimed 1 1/2 hours local live color daily (Vol. 14:5). Any other contestants?

Electronics: What's Coming After the Missile Age?*

W. R. G. BAKER†, FELLOW, IRE

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Summary—The electronics industry has experienced four major periods of development: the radio era, the radar era, the television era, and the missile era. The radio and television eras, both being consumer-goods eras, were strongly influenced by the economic climate and by certain contractual arrangements peculiar to the electronics industry, whereas the radar and missile eras were dominated by factors related to the urgent development of new military weapons.

Following a discussion of the characteristics of these eras, the author looks into the future to the possibility of the fifth surge in the industry, which he calls the industrial electronics era—a broad term which is intended to include all electronic fields other than consumer goods, military goods, and entertainment services, and including the field now covered by the electrical industry. The paper concludes with a discussion of the major traits and the absence of any one predominating trait in this new era of the future.

INTRODUCTION

AS ENGINEERS, we are inclined to think of the growth of electronics primarily in terms of a succession of technical discoveries and developments. We think of electronics first as a field of technical endeavor, and quite naturally so.

However, electronics is also a business, a vast twelve billion dollar business. As we shall see in the following discussion, the growth of electronics, whether considered as a business or an engineering art, is strongly influenced by economic and other factors, as well as by purely technical achievements.

Our discussion of the growth of the electronics industry will be centered on the graph in Fig. 1, opposite, which shows the industry volume as a function of time, divided into four major eras.

It indicates the end of the radio era as of 1939 with an annual volume of about one billion dollars. The radar era peaks in 1943 at about five billion dollars of annual business, but by 1946 the annual volume had decreased to just under two billion. The television era is indicated as starting in 1946 and peaks at just under six billion in 1950. Then the missile era is shown as starting in about 1950 with a peak annual volume of just under twelve billion in 1956.

It should be noted that these eras are not too distinctive. The name of the era indicates only the predominant electronics business in that particular period of time. Hence, the total annual volume at any particular point represents the entire business of the elec-

tronics industry, which may, of course, be broken down into its component parts.

In addition, in each era there is an overlap representing products of the preceding period and, to some extent, products of the following era. It is interesting to note that in the entire span of forty-one years there have been four major surges in the electronics industry. Two of these have been caused by demand for consumer products, and two have been the results of war or defense military activity.

In the following, we will consider the general characteristics on an industry-wide basis of the two types of eras shown and then guess as to the possibilities of what might produce the fifth era.

CONSUMER-GOODS ERAS

Lumping the radio and television ages together, we will notice certain characteristics common to both these consumer-goods eras. These characteristics were partly

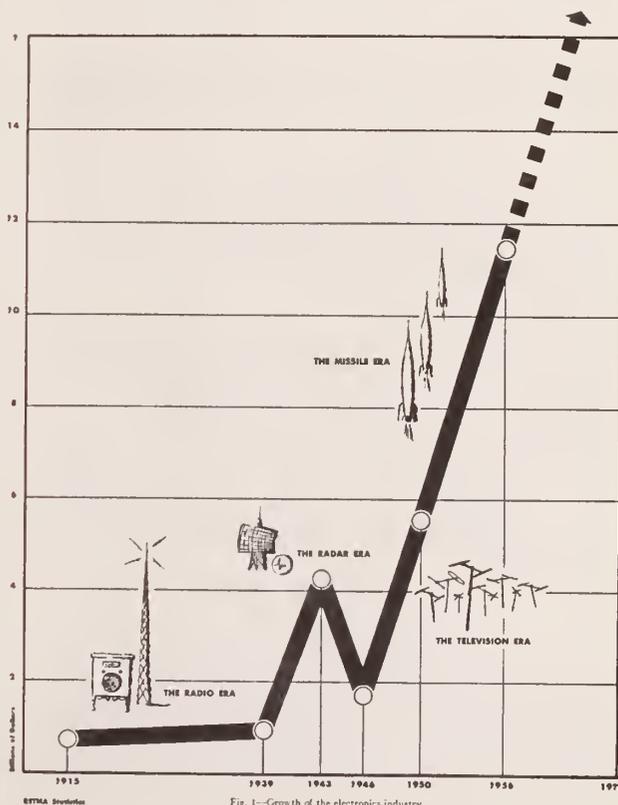


Fig. 1—Growth of the electronics industry.

* Original manuscript received by the IRE, October 9, 1957; revised manuscript received, January 2, 1958.

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influenced by the economic climate and partly by certain contractual arrangements rather peculiar to the electronics industry.

In the first place, both radio and television rendered a new entertainment service to the American public, one that they could afford and buy either outright, or with the assistance of liberal consumer credit. Moreover, in both of these periods there was a full play of the free enterprise climate with severe competition present during each era.

Both of these new services produced a great product demand. Since in the early stages of each age the profit margins were rather attractive, there resulted an influx of new companies. Because of the product demand the marketing problem was not too serious in the initial stages, but as saturation began to make itself felt, the selling function became increasingly important.

Another point of similarity was that because each of these consumer eras represented a new technology, the engineer was perhaps of major importance. The next important factor was a manufacturing organization capable of assembling rather complex electronic equipment.

Each consumer era developed a singular economic cycle. This cycle is not peculiar to the electronics industry. It has appeared in the automobile industry and many others. The general characteristics of the economic cycle are an increase in the product supply until it exceeds demand, with the result that the producers reduce the price to the loss point just to stay in business. Coupled with the effect of saturation, this means extreme competition for a shrinking market. In the consumer area, the market may become saturated; that is, the market at a specific price level has been essentially satisfied. Hence, further market expansion is dependent on replacement business and new home formations.

In some instances, saturation may also be caused by failure to do a creative job; that is, failure to create new products, failure to develop products for different income levels, or failure to determine how the consumer can be motivated to buy a somewhat modified product. In any event, the end result of this economic cycle is a period of severe attrition and finally a balance between supply and demand through companies which have a profitable business.

One of the results of the economic cycle is a form of standardization. The rate of technological advance slows down and the marketing aspect begins to assume a predominant position. Style becomes an important factor in an attempt to offset the deceleration of the technology, and a more serious effort is made to determine consumer motivation.

The foregoing are not all of the characteristics of the consumer-goods eras but they are representative of the major trends.

Before turning to the characteristics of the eras dominated by military products, let us look a little more closely at the television era. This period is somewhat of a repetition of the radio era. But certain companies had distinctly benefited by the work they had undertaken during the radar age and many had an advantageous position because of facilities put in place during the war.

Three major factors made the television era different from the radio era: first, the continuing influence of

military business. Secondly, the economic cycle accelerated more rapidly than during the radio era. This was probably due to the great increase in the technological effort during the war and its accompanying increase in manufacturing facilities. Finally, the tremendous acceptance by the public of television as a new form of entertainment.

The factor that was overlooked by many at the beginning of the television era was the influence of a continuing military load due to the cold war which was accelerated by the conflict in Korea. Somehow, many small companies—and others not so small—lived through the severe dip that the electronics business took in 1946. But after the Korean War, the cold war forced the television era to taper off into the missile era.

MILITARY ERAS

Now let us turn to the two eras which were dominated by military products and look at their major characteristics. In the radar and missile ages we find a number of important factors. The design and production of war material was a controlling factor. New weapons and weapons systems required major advances of the technology of both end products and components. As a result, the industry expanded rapidly and many new companies entered the electronics industry with or without government money.

The radar era undoubtedly saved many companies which were having financial difficulties during the closing period of the radio age. It should also be noted that the industry had started work on monochrome television in the period just prior to the radar era and a few sets had been built. As a result, enough was known about television so that during the radar era this technology was either directly or indirectly improved. As for those individuals and companies that had not appreciated previously the great potential of the electronics industry, they were now really alerted.

During the latter part of the radar era, planning started for the television age. Based on past experience, it was expected that the economy would revert to a peacetime level. Although a transition of this sort is not without its problems, it was aided by the fact that certain technological advances in the radar period were directly applicable to television. This was particularly true of basic components such as the picture tube.

The end of the radar era found two types of companies in the industry: those which had been an important factor in the consumer goods industry and had improved their position during the war, and those which had entered the industry through military work. Many small companies that were dependent upon government contracts for their support faced a difficult transition to civilian production at the end of the radar era. Their plight is indicated by the sharp drop in industry volume during this time.

The missile era, which is still in its early stages, is really more than just missiles. But the indications are that it will truly be a missile age in the not too distant future. In its early stages, this era includes not only major advances in aircraft but also further advances in more complex weapons and weapons systems.

One of the early manifestations of the missile era has been a gradual drawing together of the aircraft industry, including propulsion, with the electronics industry. In some instances this has caused the aircraft industry to go into the electronic business. The reverse is not true, except that some large companies are engaged in propulsion as well as electronics.

The missile age has also provided an outlet and hence greater security for the smaller electronics companies that were formed during the war or even after the radar era. One of the interesting by-products of the radar era was the conversion, or perhaps we could call it transformation, of top scientists and engineers into the owners and operators of small companies. Meanwhile, the large companies with strong engineering departments and extensive facilities are especially equipped to assume a major position in this era.

Another characteristic of the missile era has been the increased impact that missiles have had on the weapons system concept.

It is problematical whether the missile era can provide business for those primarily engaged in consumer goods. Perhaps the inability of this era to provide business for these firms will accelerate the attrition that started for them toward the end of the television era. To some extent this trend is now in effect.

Certainly, the missile era will require a new look at the components section of the electronics industry. Perhaps those companies deeply engaged in missiles will have to take on the major components. If this is true, the growth of the components industry in terms of companies may be retarded. The situation may even result in severe attrition in the components field.

What about the missile era? How long can it last and what is the basic philosophy of this era? Certainly, if we are concerned with only the next five or perhaps ten years, maybe we have no worry. But if we are concerned with a longer period, then we should consider the possibility of the fifth surge in the industry. A straw in the wind, and perhaps there is no straw or no wind, is the recent action of Great Britain.

Britain for certain reasons, perhaps largely economic, arrived at conclusions that the defense of Great Britain is possible only as the collective defense of the free world; that there is no real defense against attack with nuclear weapons; and that the influence of Britain in the world was dependent upon the health of her internal economy and her success in export trade.

Britain has perhaps given up the idea of total preparedness and total security, if such preparedness and security are measured in terms of a large Army, Air Force, and Navy. The doctrine of massive retaliation which has previously been enunciated by both Winston Churchill and Secretary of State Dulles has a great impact on military business in general, and the missile era in particular. Apparently, the British feel that a large ground force is unnecessary in nuclear warfare. Certainly no one can say that ground troops will never be used. The control of small peripheral wars will undoubtedly require troops and the more conventional weapons rather than missiles. But these troops might be provided by the United Nations.

Presumably the day of the battleship in its traditional role is over. The carrier seems to still maintain its position but whether or not it will be eventually replaced by a missile ship is not apparent at this time. It appears that basic changes will come in the treatment of airpower.

What does all this mean? Is it possible that defensive and offensive action will center on about fifteen or twenty different types of missiles launched from stationary and moving platforms? If so, the missile era will truly have arrived.

THE FUTURE

Now, what about the future of the consumer goods area? What new consumer goods services are on the horizon?

Excluding modifications of present products by such components as transistors and other technological advances, we have at least two possibilities: color television and subscription television.

With respect to color, there is little doubt that some day it will be a very important service. It may not be in the same demand area as measured by monochrome since it is not in the same class as a new service. Its future will probably be determined by such factors as its technical development, its performance, the economics of the product line, and the program material.

Subscription television is a most interesting modification of an existing service. It seems to the author that its success is dependent upon just one factor. Can subscription television provide program material of such merit that the American public will pay for the program? We will not say that subscription television cannot be made a success. It most certainly will be a major undertaking and will encounter great opposition.

A factor of increasing importance in the fourth and fifth eras will be components. The requirements of these periods will be entirely different than for the entertainment eras.

It is probable that new materials, techniques, and processes may result in an entirely different line of components. Perhaps there will be just as radical a change as is represented by semiconductors. Such a change may offer those companies with adequate research and engineering facilities a new opportunity in the component area.

Unless some new consumer service appears, there probably is not enough demand for the present garden variety of components to sustain all of the existing component companies. Also, there is little incentive for the larger companies to enter the more usual component production. Unless a company can make a real contribution in the component area, it probably would have a difficult competitive position with respect to the companies already entrenched.

THE FIFTH ERA

It seems quite safe to assume that some portion of the electronics volume in the fifth era will be made up of those electronic businesses that were included in the preceding four eras. But will there be some predominant business in the fifth era as there was in the preceding ages?

The author's guess is that the fifth era will have no one predominating trait but will comprise many important product lines. For that reason the economics of this era may be more healthy and vital than the preceding periods. Also, it appears that there will exist a group of product lines which will dominate the era. Based on these product lines the next age might well be called the era of industrial electronics.

We would like to define the scope of industrial electronics since, as the term is used here, it is far more comprehensive than usually interpreted.

By industrial electronics, we mean all electronic equipment or applications other than consumer goods, military goods, and entertainment services. This field would include communications, control, computers—of all types and for all applications, industrial applications of television, the field covered by the electrical industry, medical and irradiation applications including radioactive isotopes, and all types of instrumentation.

It is interesting to consider the possible major new components of the electronics industry in the fifth era. We can see even now that the computer, data processing, and related applications will be important. The real possibilities of medical electronics and irradiation are still relatively unexplored, as is the field of ultrasonics.

Because of its history, it seems that many people traditionally look upon electronics as a means of accomplishing new objectives that cannot be attained by any other scientific or engineering means. Electronics

tends to be overlooked as a means of doing something better or cheaper or faster, and is considered rather as a way of doing something that is beyond the ability of any other technology. For this reason its infiltration into already highly developed industries has been exceedingly slow.

We have in mind especially the electrical industry. It is here that a number of large electronics companies have almost unlimited possibilities in the fifth era. They have the research, engineering, and manufacturing facilities. But, even more important, they have the marketing facilities, the customer relations, and complete knowledge of the equipment and systems to which electronics should be applied.

This new task is not any easy one. It will require education and selling work by engineers and marketing people in the entire electrical industry area. It will require a continuous survey of not only the technology of the electronics industry but also the electrical industry. It will require the maximum in creative and imaginative ability. It will cost money and it is a real considered risk. But the prize will be well worth the game.

In the last analysis the electronics industry has reached the position it holds today because, above all, it has been forward-looking. It is the presence, or absence, of this most important of all ingredients that will in the end determine the fate and fortunes of the industrial electronics era, just as surely as it has influenced the eras which preceded it.

Television Digest

with **ELECTRONICS** REPORTS

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SUMMARY-INDEX OF THE WEEK'S NEWS — March 29, 1958

FUTURE OF RADIO NETWORKS: NBC president points out healthy aspects despite current losses. Says affiliates will lead 4000 AMs foreseen by 1960 (pp. 1 & 16).

THEATRE OWNERS WOULD BUY UP post-1958 films to keep them off TV in plan approved by TOA directors. Cite success against pay TV, distributor pledges (p. 2).

CROSS' CONFIRMATION FOR FCC considered certain. Senate committee vote due April 16. Senators' questions, not too difficult, answered carefully (pp. 2 & 7).

AM-FM STEREO BROADCASTING considered "sleeper" by receiver makers who envisage big market for FM receivers, accelerating impact of hi-fi on FM (p. 3).

ABC REVENUES BOOST AB-PT to peak sales for 1957 but profit drops sharply. TV gains, better theatre business, fewer theatres reported (p. 3).

HOWARD MEIGHAN & AMPEX join to form new companies to exploit Videotape magnetic tape TV recording system; he resigns as Hollywood executive (p. 5).

NETWORK EXECUTIVES often join stations, but Buddy Sugg going to NBC as v.p., Jim Riddell to ABC as exec. v.p. may point to reversal of trend (p. 5).

HIDDEN MESSAGE BAN voted by TV Code Review Board following review of subliminal perception processes. No station reported planning use now (p. 6).

HARRIS HEARINGS EASE OFF as Comrs. Hyde & Bartley give impressive testimony, draw praise from Congressmen. Other TV cases being studied (p. 7).

FEAR OF TRANSLATORS expressed by KLEW-TV, Lewiston, Ida. as it drops protest. Says FCC policy will stifle conventional small-town stations (p. 9).

Manufacturing-Distribution

COMPATIBILITY PROBLEM faces record makers striving for early entrance into stereo field. CBS shows new system to engineers in N. Y. (p. 11).

"LAZY MAN'S" TUNING DEVICE will be featured by most TV manufacturers in upcoming new lines (p. 11).

FEW TV TECHNICAL ADVANCES described at IRE convention. Stress placed on "Missiles Era." Picture-on-the-wall TV still believed years away (p. 13).

CBS MANAGEMENT OPPOSES merging Class A & B directorships; stockholdings of directors set forth, also top 1957 salaries. What other firms paid (p. 14).

WHO SAYS NETWORK RADIO IS DOOMED? Last week's unhappy news about ABC's decision to curtail its unprofitable radio network operation (Vol. 14:12) impelled NBC president Robert W. Sarnoff to do a bit of ruminating, predicting and philosophizing about the future of network radio -- and he's bullish despite fact his radio network is losing money, too. In fact, it has lost some \$9,000,000 since 1953, the year TV overtook radio in gross advertising billings. Like CBS, NBC's o-&-m stations are profitable but the network loses more than they can make. Yet -- "we are now talking about a break-even point [in radio networking, per se] without rubbing a rabbit's foot..."

Radio is basically a healthy advertising medium, has attracted fresh money to its tremendous cumulative audience, conceding the living room to TV but fashioning itself "as companion in the kitchen, on the beach, in the car, at summer camp." Key to network radio's future is affiliate loyalty -- and NBC is now getting it in more clearances. Sarnoff predicts 4000 radio stations by 1960 [there are about 3200 AMs now]; those who hew to their networks, rather than choose "the jukebox route," will stand out program-wise "like beacons in their communities," he says.

There's so much meat and merit in what the younger Sarnoff expounds in the current issue of his personal "newsletter" that, whether you agree with him or not, it's well worth reading by all management -- hence our reprint on p. 16.

Note: Current upsurge of radio billings appears to be continuation of last year's record, as shown in McCann-Erickson figures (see TV Factbook No. 26, p. 27). Radio advertising as whole hit new all-time high of \$648,000,000 in 1957, going up

from \$567,000,000 in 1956 and 10-year low of \$558,700,000 in 1955. This was while TV was climbing to \$1,315,000,000 in 1957 from \$1,029,900,000 in 1956 and \$1,025,300,000 in 1955. But radio's rise was mostly local and spot. Radio networks fell to \$64,000,000 in 1957, \$60,500,000 in 1956, \$84,400,000 in 1955 -- a slide that began shortly after TV emerged. Radio networks' all-time high was \$210,600,000 in 1948.

MOVIE HOUSES' NEW STRATEGY AGAINST TV: Point of despair was apparently reached this week by Theatre Owners of America in self-preservation battle to bring back box-office audiences by keeping movies off TV screen. Seeing every home becoming a movie house, TOA set out grimly to buy all post-1948 features which might go to TV.

Non-profit, tax-exempt trust fund -- amount of war chest not estimated, but it obviously would require millions -- was authorized in resolution voted by TOA directors and executive committee in San Francisco. All theatre operators would be asked to join scheme to acquire title to movies held for sale by distributors.

Direct-action plan by TOA to seize what it regards as source of its troubles ignores counsel, often heard in Hollywood itself, that there's nothing the matter with the movies that good pictures won't cure -- citing enormous successes of such super-colossals as Around the World in 80 Days, Ten Commandments, Bridge on the River Kwai. There's also question of legality of any ganging up to hoard available movies -- good, bad & indifferent -- to lure audiences out of their homes.

Ambitious TOA trust fund would provide: (1) Payment to distributors for product in cash & bonds. (2) Distribution of films to theatres by exhibitors who would keep percentage of gross rentals, balance going to retire bonds. (3) Recapture by distributors of title to features if bonds are defaulted.

* * * *

Save-our-theatres-by-stopping-TV scheme was announced even as another Hollywood studio enlisted voluntarily in TOA's campaign against post-1948 releases to TV (Vol. 14:10) -- and even as TOA president Ernest G. Stellings boasted successes. Allied Artists pres. Steve Broidy said his studio will keep features for theatrical showings alone "as long as we can successfully service this market." Reporting on developments in TOA's opposition to broadcast & cable pay TV (Vol. 13:50) as well as movies seen for free by home TV viewers, Stellings said in speech:

"We've seen pay TV effectively stymied, if not killed. We have seen distributor chief after distributor chief pledge [himself] against the sale of any of his post-1948 film library to TV, and for the moment at least we've stopped this flow."

CROSS' EXAMINATION LIGHT, APPROVAL DUE: Looks like John S. Cross is in as an FCC commissioner, succeeding the unfortunate Richard A. Mack, after March 26 hearing on his nomination before Senate Commerce Committee. However, Committee is cautiously waiting until April 16 before voting; no one doubts it will recommend confirmation.

Cross' appointment could seriously affect, as we noted before (Vol. 14:10-11), FCC's "balance of power" on critical issues -- multiple ownership, diversification, deintermixture, etc. Philosophy and character of the man will certainly have powerful impact -- since FCC is divided roughly 3-3 on such important issues.

The once-burnt Committee, which 3 years ago spent only 30 min. in pleasant-ries with nominee Mack before speeding his name to Senate floor next day (Vol. 11:25), this time kept Cross on stand nearly 2 hours. The leading interrogator, incidentally, was Sen. Smathers (D-Fla.), who sponsored Fla. Democrat Mack so warmly in 1955 -- and came to regret it so painfully recently when Mack was forced to resign.

Senate Committee's examination of Cross was more extensive than usual for FCC nominees -- but scarcely a deeply penetrating search. He has a clean reputation, record of long govt. service and support of whole Ark. Congressional delegation -- including Democratic Senators McClellan & Fulbright, men to reckon with. [For more on Cross examination, see p. 7.]

STEREO—A SLEEPER FOR AM-FM STATIONS? You station operators might do well to follow closely the developments in stereo recording, which we've been covering intensively in our trade pages (p. 11 & Vol. 14:2,4,5,8,11,12), for they carry implications well beyond the "novelty" factor. In opinion of some extremely knowledgeable receiver marketing executives, stereo could add powerful impetus to trend sparked by hi-fi -- which has increased interest in FM station ownership to point that stations are on increase, channels are being fought over and the FCC has been conducting a brisk business in shifting FM channels to meet demand.

Manufacturers have obvious interest in broadcast stereo, as well as in home stereo recording. When an AM-FM combination puts out stereo signals, listener must have second set, an FM, to get it. Single FM station can do it, too, by multiplexing 2 signals, and consumer must have 2 speaker units to take advantage of stereo effect. Those who gauge public tastes insist a real market is on horizon.

Broadcast stereo is free from some of the problems of home recording stereo. Home record-player industry is struggling with costs, with engineering standards, with compatibility, record availability, etc. But broadcasters can afford expensive professional equipment, if potential audience appears worth cultivating. AM-FM stereo or "binaural" broadcasting has been tried here and there in recent months, very effectively at times. It has been done with AM-TV station combination.

Where FM was once quite moribund, the hi-fi and "good music" demand increased number of stations from 520 to 580 in last year alone [see our 1958 AM-FM Directory] -- and there are 62 applications for new FM stations pending right now, with rate of filing definitely accelerating.

AB-PT Gross Up, Net Down: Improved TV operations and "a substantial rebound in theatre business at the turn of 1958" enabled American Broadcasting-Paramount Theatres Inc. to boost its gross income to \$215,877,000 in 1957, from \$206,916,000 in 1956 but net profit dropped to \$4,894,000 (\$1.10 per share) from \$8,477,000 (\$1.96)—the 1956 figure having included \$742,000 (18¢) from capital gains. Last year's earnings fell, says pres. Leonard Goldenson in annual report, "due to the restricted return from the ABC div. for the first 9 months coupled with the decline in the motion picture industry in the fourth quarter."

ABC operating income now exceeds that of theatres, 1957 ABC revenues amounting to \$109,393,000, up from \$98,759,000 in 1956; theatres grossing \$95,280,000, down from \$100,565,000; merchandise sales, etc. \$11,204,000, up from \$7,592,000. Year ended with AB-PT operating 537 theatres vs. 573 year earlier, 38 having been disposed of, 2 new ones acquired.

Report points out that 1957 gross income peak was largely due to ABC-TV volume, which by fourth quarter gave it "the largest percentage increase in gross time billings of all the networks." Owned-stations also showed "fine progress and improved profits." AB-PT subsidiaries, whose separate P&L figures are not given, "showed good results in 1957"; these include Am-Par Records, ABC Film Syndication, Disneyland Park, and 25-30% interests in Microwave Associates Inc., Technical Operations Inc., Dynametrics Corp.—latter 3 being electronic research & development firm recently occupying adjoining new plants in Burlington, Mass.

Pres. Goldenson, testifying recently before FCC in network hearing (Vol. 14:10), disclosed that TV network-

ing lost money until 1955, was profitable in 1956 & 1957 (though latter was the lower), while stations were profitable. Last week, in disclosing plans to curtail radio network (Vol. 14:12), it was verified that radio network as such was continuing to lose more than the profitable owned-&-operated radio stations earned. TV and radio operations have been separated under own presidents, neither of whom is on AB-PT board. New on 15-man board, however, are newly-elected exec. v.p. James G. Riddell (see p. 5) and financial v.p.-treas. Simon B. Siegel.

Strong financial position of firm is shown in increase of working capital in year to \$45,848,000 from \$41,200,000. Net fixed assets were \$68,917,000 at end of 1957 vs. \$69,501,000 year before; long-term debt, \$52,209,000 vs. \$45,637,000; net worth, \$83,718,000 (\$18.62 per share) vs. \$83,883,000 (\$18.55).

Note: Little-known aspect of AB-PT operation is AB-PT Pictures Corp., formed late in 1956 as additional source of feature films for theatres—this despite fact AB-PT is itself a spinoff from Paramount Pictures Corp. under govt. consent decree separating movie production from theatre ownership. So far, it has produced only moderate-budget pictures, including the science fiction *Beginning of the End* and teen-age show *Eighteen and Anxious*. Says report: "As experience is gained by this subsidiary, pictures with greater production and star value will be considered. To keep production and distribution costs to a minimum, studio facilities are rented and distribution is handled by an established firm in that field."

—■—
"The motion picture business foolishly saved the TV industry from the public's contempt by supplying it with films. When we gave TV our films, we gave them life. All of us made a big mistake . . . We had no alternative. The stockholders demanded it. You can't fight stockholders."—Spyros Skouras, pres., 20th Century-Fox, in Paris interview with Art Buchwald, *N. Y. Herald Tribune*.

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Personal Notes: Alfred J. Scalpone, CBS Hollywood v.p. in charge of network programs, most likely successor to Howard S. Meighan, CBS-TV West Coast v.p., who resigned this week to become pres. of new Ampex-associated Videotape Productions of New York Inc., which he will control, and of Videotape Productions of California Inc. (see p. 5); new CBS coast appointment expected to be made in Hollywood by new CBS-TV network pres. Lou Cowan while there week of March 31 . . . Harry G. Ommerle, CBS-TV v.p. in charge of network programs, N. Y., promoted to network programs v.p., reporting to Hubbell Robinson Jr., exec. v.p. in charge of network programs; Michael Dann, ex-Henry Jaffe Enterprises and ex-NBC program sales v.p., named v.p. and successor to Ommerle . . . Earl Rettig, pres. of NBC's Cal. National Productions, also named exec. v.p. of its Figaro Inc., succeeding the late Emanuel Sacks . . . Mike Shapiro, ex-KTUL-TV, Tulsa & KDUB-TV, Lubbock, returns to WFAA-TV, Dallas, as station mgr. . . . Andrew D. Ring, Washington engineering consultant, recently returned from consulting trip to Near East, is off again on European tour, due back about April 15 . . . James T. Butler, ex-radio WIRL, Peoria, appointed asst. mgr. of WISN-TV & WISN, Milwaukee . . . Herman Lowe, veteran Washington correspondent of *Variety*, resigns as of July 1 to become director of development & public relations, Albert Einstein Memorial Hospital, Philadelphia; successor will be Jack Levy . . . J. Douglas Nixon named asst. director of radio network planning for CBC, Toronto . . . Herbert E. Buck Jr., ex-WWTB, Tampa, named operations mgr. of KRSD-TV, Rapid City, S. D. . . . Allen Duncan resigns as news & public relations director of WJDM, Panama City, to open Allen Duncan Assoc. Inc., adv. & public relations, same city . . . Rod Belcher, ex-KOL, Seattle, named news editor of KTNT-TV, Tacoma . . . John Joseph Cole elected pres. of Guild Films, succeeding Reub Kaufman who continues as chairman of the exec. committee . . . Mort Abrahams, producer (*Suspicion*, *Producers' Showcase*, et al), named director of National Telefilm Assoc.'s creative programming dept.; James B. F. Boyce, ex-Young & Rubicam, named eastern station relations mgr. . . . John J. Heffernan, ex-NBC-TV Film Sales, joins CBS-TV Film Sales as Terrytoons sales mgr. . . . Gerald S. Corwin promoted to Minneapolis mgr. of National Telefilm Assoc., succeeding Don Schwartz, recently named gen. mgr. of KMGM-TV (now KMSP) . . . Charles H. Cowling, ex-national sales mgr. of KTVT, Salt Lake City, now heads American Radio-TV Station Representatives, 140 Robertson Blvd., Beverly Hills (Olympia 2-8494) servicing Los Angeles accounts of Grant Webb & Co. . . . Michael Joseph, ex-Founders Corp., joins Avery-Knodel.

Dr. George L. Hall, development director of Educational TV & Radio Center, Ann Arbor, resigns effective June 30 to head Casper College, Casper, Wyo.

ADVERTISING AGENCIES: Paul C. Harper Jr. promoted to exec. v.p. of Needham, Louis & Brorby, Chicago; Blair Vedder, Kenneth C. T. Snyder & George Soter named v.p.'s . . . Frank Brady elected exec. v.p. of Cohen & Ale-shire, N. Y. . . . William E. Matthews and Everett Erlick promoted to v.p.'s of Young & Rubicam . . . Ward Hagan, v.p. of Young & Rubicam, Montreal, transferred to N. Y. as v.p., international div. . . . Rollin C. Smith Jr. appointed a senior v.p. of Ogilvy, Benson & Mather, N. Y. . . . Howard C. Shank and Norton J. Wolf promoted to v.p.'s of Benton & Bowles . . . Wayne Thompson named a v.p. of Richard L. Sims & Assoc., Houston & Los Angeles . . . Mrs. Alice M. Westbrook elected a v.p. of North Adv., Chicago . . . Vergil D. Reed, v.p. of J. Walter Thompson, retires June 30, will join faculty of Michigan State U as professor of marketing.

How the late Dalton LeMasurier and wife Dorothy survived an airplane crash in Wyo. last May, how he died of a brain hemorrhage caused by the impact of the crash and she survived 19 harrowing days of crippling exposure in the mountain wilds while scores of planes carried on search (Vol. 13:32), is told in March *Reader's Digest* story titled "The Woman Who Wouldn't Give Up." He was founder-owner of KDAL-TV & KDAL, Duluth, whither they were flying from Pasadena in their own Beechcraft. Mrs. LeMasurier, now 46, now owns control of the stations, with v.p.-gen. mgr. Odin S. Ramsland & v.p.-chief engineer Robert Dettman each owning 10%.

CBS Foundation fellowships, worth \$8000 each for study at Columbia U, 1958-59 (Vol. 14:44), have been awarded to: Clayton Lee Edwards, radio WTAR, Norfolk; Bernard N. Eismann, CBS News, N. Y.; Randall Gover, WWL-TV, New Orleans; Edmonde A. Haddad, radio KNX, Los Angeles; Gerhard Schwartzkopff, CBS News, Bonn; Guy Searls, CBS News, Hong Kong; Donald H. Weston, KMSO-TV & KGVO, Missoula, Mont.; Walter E. Whitaker, U of Ala. broadcasting services.

New MBS Network Policy Committee includes chairman Armand Hammer, treas. H. Roy Roberts, exec. v.p. George Vogel, v.p. Robert F. Hurleigh. Other new appointments at MBS: Robert Marcato, ex-ABC-TV Film Syndication, to new post of national sales mgr.; Charles Godwin, ex-Sponsor, to station relations dept.; Bob Novak, ex-Martha Rountree Productions, to programming dept.

Annual duPont Awards for 1957, plaque and \$1000, were presented this week to: KRON-TV, San Francisco, for scientific series *Explorers of Tomorrow*; KARD-TV, Wichita, for "scope and consistently high purpose of its extensive public service programs"; NBC commentator Clifton Utley, of Chicago, for news analysis which "consistently distinguished between fact and inference."

Harvard College bought time on CBS Radio March 28 for undergraduate-produced one-shot *Case for the College*, will also carry it commercially on Radio Luxembourg and free on Armed Forces Radio System, Voice of America, Far East Broadcast Co., Radio Inchon (Korea) & WCJB, Quito, Ecuador.

Opening day speakers at NAB convention in Los Angeles' Biltmore Hotel, April 29-May 1: keynote address by CBS pres. Frank Stanton; address by FCC Chairman Doerfer; luncheon speech by McCann-Erickson pres. Marion Harper Jr.

Walker Representation Co. rep firm became Walker-Rawalt Co. Inc. March 1, v.p. C. Otis Rawalt becoming full partner of Wythe Walker.

Meighan Joins with Ampex: Videotape's upsurge—there are now some 100 Ampex recorders in use in networks and stations—is manifested anew in resignation of Howard S. Meighan as CBS-TV v.p. for West Coast operations as of April 1, to tie up with Ampex Corp., Redwood City, Cal., to form Videotape Productions of New York Inc., Videotape Productions of California Inc., Videotape Midwest Inc. TV-radio pioneer Meighan has been with CBS since 1934, was first pres. of CBS Radio, devised the capital gains formula under which CBS lured away leading programs and stars from NBC (e.g., Jack Benny), headed up plans for and development of CBS's TV City in Hollywood.

He will own majority of stock, Ampex minority, of each company. First 2 companies will be California corporations with headquarters in Hollywood, and with of-

fices in N. Y. Meighan also goes on Ampex payroll as consultant.

Plan is to produce TV commercials instantaneously on Videotape, which can be quickly integrated by networks and stations into any programs—whether taped, filmed or live. Videotape recorders permit instant playbacks of both picture and sound, whereas present film commercials require up to 3 weeks. Magnetic tape system claims, besides quick previewing and greater flexibility for advertisers, the advantage of high fidelity equivalent to live performance. It was sensation when first introduced in 1956 (Vol. 12:15, et seq), and won an "Emmy" award in 1957.

Ampex's success in selling its apparatus is indicated in weekly reports of sales and deliveries to stations. This week's deliveries, for example: To KDKA-TV, Pittsburgh; WJZ-TV, Baltimore; WJBK-TV, Detroit; WBKB, Chicago; KPRC-TV, Houston; KPIX, San Francisco; KRON-TV, San Francisco; WGN-TV, Chicago; KYW-TV, Cleveland; KTTV, Hollywood; WUSN-TV, Charleston, N. C.

Do You Know That . . .

SO SELDOM DO THE NETWORKS recruit their multitudinous vice presidents from station ranks—the trend, rather, seems to have been the other way—that the election of the popular and able P. A. (Buddy) Sugg to v.p. in charge of NBC's owned-&-managed stations and of its Spot Sales div., and the choice of the dynamic James Gilmore Riddell as exec. v.p. of ABC, supervising all depts. formerly run by pres. Leonard Goldenson, raised many an eyebrow in recent weeks.

Actually, 50-year-old Buddy Sugg (who doesn't like it bruted around that those initials stand for Proctor Arnold) returns as of April 1 to his alma mater—for he started as a control engineer at the old KPO, San Francisco, owned by NBC (now KNBC); rose to network supervisor of engineering; took leave in 1940 to rejoin the Navy as a lieutenant j.g.; came out a much-decorated captain in 1945; then went to work for WKY, Oklahoma City, became its gen. mgr. and master-minded the *Daily Oklahoman's* expansion into TV there and in Montgomery, Ala. and Tampa, Fla. He takes over his N. Y. job April 1.

Affable, outgoing Scotsman Jim Riddell, 46, Glasgow-born and crack golfer, started at Detroit's WXYZ as an office boy in 1931, stayed with the station when King-Trendle sold it to ABC, became pres. & gen. mgr. in 1946, has headed WXYZ-TV since its inception in 1948. He goes to N. Y. July 1 as second in command of all AB-PT radio & TV operations.

* * * *

Managers of owned-stations are frequently shifted by the network into network posts—but it's not often that independent station topkicks are lured to the big town for network posts. CBS's policy of staff promotions, of course, brought Merle S. Jones—the "S" is for Silas! and he's now 52—up through the ranks of station and branch management (St. Louis, Hollywood) to pres. of the CBS-TV network div., now of the stations div. NBC station relations v.p. Harry Bannister left management of *Detroit News'* WWJ & WWJ-TV to go to N. Y. And Bill Hedges, NBC special services v.p., was founder-gen. mgr. in the '20s of pioneer radio WMAQ, Chicago and its experimental TV, taken over by NBC just 27 years ago.

They're exceptions to the rule that makes networks happy hunting grounds for station owners seeking local

executives. Despite the high pay scales, the big-city network boys apparently prefer to move to the smaller cities—and more often than not they do make good, frequently becoming station owners or part owners.

* * * *

For example, NBC's veteran chairman, pres. & v.p. Niles Trammell, who started in radio in 1923 as an RCA Communications salesman after a distinguished Army career, retired after 30 years with NBC to become head and part owner of Miami's WCKT (TV) & WCKR. James M. Gaines, who ran the NBC gamut from station relations in 1942 to TV-radio stations v.p., quit in 1953 to serve 9 months with Teleradio as v.p. before going to San Antonio to head the Half stations, WOAI & WOAI-TV; he's now their pres., also v.p. of Blanco Oil Co.

Fred M. Thrower joined NBC in 1929, went to ABC as network sales v.p. 1942-51, to CBS-TV in same capacity 1951-52, then accepted job as v.p. & gen. mgr. of *New York Daily News'* independent WPIX. Hamilton Shea, now co-owner with the Transcontinent group of WSVA-TV & WSVA, Harrisonburg, Va., started with NBC as a controller in 1948, ran owned-stations in 1951, managed Cleveland and N. Y. stations before he "left the concrete jungle for the beauty and peace of the Shenandoah Valley."

Harvard graduate Robert D. Shezey joined NBC legal staff in 1939, became gen. attorney & secy. of Blue Network 1942, v.p.-gen. mgr. of Mutual in 1944, was hired away by the Stern interests of New Orleans to become exec. v.p. of their station operations (WDSU-TV, WDSU, et al). Mutual's first gen. mgr., Fred Weber, who started in NBC station relations in the early days, quit MBS to run radio WDSU in New Orleans, sold his interest (including CP for TV) to the Sterns, took over operation of WFPG, Atlantic City, founded ill-starred uhf WFPG-TV, headed TV-radio stations in Huntington, W. Va. before joining the Friendly Group (Laux-Berkman) as v.p. and traveling factotum for its various stations.

* * * *

CBS's first Washington representative was Harry C. Butcher, an Iowa farm boy lured away from the National Fertilizer Assn. by Bill Paley in 1929; he was Washington v.p. 1935-42, then went to war as Gen. Eisenhower's naval aide, after the war set up in business for himself with radio KIST, Santa Barbara, Cal. He became part owner of TV station KEYT there, later sold, now owns KIVA

(TV), Yuma, Ariz. (Ch. 11) as well as his radio station.

Donald W. Thornburgh joined CBS as a network salesman in 1930, became asst. mgr. of Chicago office, went to Los Angeles as v.p. in 1936, quit in 1949 to join *Philadelphia Bulletin's* newly acquired WCAU & WCAU-TV, is now its pres.; stations have been sold for record \$20,000,000 to CBS (Vol. 13:51) and the popular Thornburgh will stay until his retirement in about 2 years.

Onetime NBC page boy Otto P. Brandt was ABC station relations v.p., 1950-51, also heading owned stations and spot sales, when Mrs. Scott Bullitt engaged him to manage her KING & KING-TV, Seattle; he now also directs her other stations in Spokane & Portland.

ABC is also the alma mater of Ted Oberfelder, who joined its WJZ promotion dept. in 1944, then managed WABC, became v.p. for o-&-m stations in 1954, quit to head a small rep firm awhile, then last year acquired radio WKIX, Raleigh, N. C., which he actively manages. Gayle V. Grubb, now heading Storer's San Francisco sales office, preceded Buddy Sugg at WKY, served some 17 years in Oklahoma City and quit to join ABC in 1945, becoming its San Francisco v.p.

Then there's Comdr. Mortimer W. Loewi, onetime Wall Street operator, who quit world of finance to run DuMont network & stations, now heads WITV, Ft. Lauderdale, Fla., which he founded in 1953; he also owns the exotic "Out of This World" resort there.

* * * *

Numerous other network alumni are in key station posts who were top executives but didn't quite win their exalted v.p. letters. Roger Clipp, gen. mgr. of the Triangle (Annenberg) group, started with NBC as commercial engineer in 1929, was asst. mgr. for o-&-m when he went to WFIL, Philadelphia, in 1935. Lee Wailes, Storer exec. v.p., was an NBC executive 1931-40. Don McGannon, head of Westinghouse stations, came from DuMont Network. John T. Murphy, Crosley stations v.p., quit NBC station relations to join WLW, Cincinnati.

Jay W. Wright returned to head KSL-TV, Salt Lake City, after a long stretch as a top CBS engineer in N. Y., where he served with Jim Middlebrooks, now engineering director for the Bullitt stations. Carl J. Burkland, exec. v.p. of WAVY-TV & WAVY, Portsmouth-Norfolk, came from CBS top echelons. Eugene S. Thomas, v.p.-gen. mgr. of *Omaha World-Herald's* new KETV, was sales chief of WOR & WOR-TV for Macy's and Teleradio before becoming exec. v.p. of its WOIC, Washington (now *Washington Post's* WTOP-TV); he is a past president of the N. Y. Advertising Club.

Meredith's Kansas City gen. mgr. of KCMO & KCMO-TV, E. K. Hartenbower, was with NBC from 1933, rose from salesman there to ABC Central div. sales mgr. before joining KCMO in 1944. Richard B. Rawls, gen. mgr. of Meredith's KPHO & KPHO-TV, Phoenix, is an ex-ABC station relations director. Norman Knight, pres. of Teleradio's WNAC & WNAC-TV, Boston, is also an ABC alumnus, as are Dick Moore, pres. of *Los Angeles Times'* KTTV and O. M. (Pete) Schloss, chairman of WIIC & WWSW, Pittsburgh.

* * * *

Note: Researching the foregoing, our curiosity was piqued as to where other ex-network presidents & v.p.'s are now—and we'll have some interesting reports on them later. Suffice to say now that NBC has the most graduates, ABC next, CBS fewest—but latter has the most (and wealthiest) retired v.p.'s.

Quietus on Subliminal: Outright ban on TV use of subliminal perception processes—for advertising or any other purpose—was voted this week by NAB's TV Code Review Board, hardening its earlier opposition to hidden messages (Vol. 14:4). In 2-day Washington meeting Board approved this amendment to rules for submission to NAB's TV board May 1 at Los Angeles convention:

"The use of the TV medium to transmit information of any kind by the use of the process called 'subliminal perception,' or by the use of any similar technique whereby an attempt is made to convey information to the viewer by transmitting messages below the threshold of normal awareness, is not permitted."

Action followed 4 months of "review & consideration" during which at least one station—Paramount's KTLA, Los Angeles—scheduled experimentation with subliminal process, then postponed it indefinitely (Vol. 14:6). No TV station now has such plans, according to board chairman Wm. B. Quarton of WMT-TV, Cedar Rapids.

"Whether the process works or not, or to what degree it might work was not our main concern," Quarton said. "We acted because we believe the American public has a right to approve or reject what comes over the home screen and this requires that the public be consciously aware of what it is viewing. Basically we concluded that 'subliminal' would not be good for the public, the advertiser or the broadcaster."

State legislatures were heard from on subliminal issue, too. At Albany, N.Y. State Senate—without discussion—passed bill barring below-threshold advertising within state, sent it to Assembly this week for concurrence. At Sacramento, Cal., State Senate earlier voted unanimously to urge Congressional enactment of law against use of process on TV (Vol. 14:8).

In another action by NAB Code board, staff was instructed "to proceed immediately with supplementary monitoring of those Code stations whose history has been in substantial violation of the Code's provisions." NAB spokesman told us that "relatively few" of 305 subscribers to Code were included in supplementary monitoring, that "virtually all" apparent violations involved infractions of advertising rules. Staff findings will be reported at April 28 board meeting in Los Angeles.

Quarton named subcommittee headed by incoming board chairman Roger W. Clipp of Triangle Stations (Vol. 14:12) to study possible Code revisions covering time standards for advertising copy, multiple spotting, contests. Other members: Richard A. Borel, WBNS-TV, Columbus; Donald H. McGannon, Westinghouse.

First showings of TV Code documentary film produced by Westinghouse and titled "A Welcome Guest in the House" (Vol. 14:9) were scheduled this week in 23 cities. Prints are available to Code members on loan basis.

FCC's network hearing is delayed another week because of commissioners' appearances before Harris subcommittee (see p. 7). Multiple owners Meredith, Storer & Westinghouse are now due to testify April 8. Hearing then recesses, resumes April 15, ABC-TV Affiliates Committee leading off, followed by CBS-TV & NBC-TV affiliates groups.

New network affiliate: KBTX-TV, Bryan, Tex. (Ch. 3) joins CBS-TV April 1 under Extended Market Plan. It's also hooked up via microwave with KWTX-TV, Waco (Ch. 10); manager is the veteran M. N. (Buddy) Bostick.

Cross Catechism: John S. Cross, asst. chief of State Dept.'s telecommunications div., handled himself carefully during March 26 confirmation hearing before Senate Commerce Committee, left Committee members with impression he could be counted on to do a respectable job at FCC.

Not noted for self-deprecation, Cross did best to set Senators' minds at rest. At outset of hearing he submitted 14pp., 4700-word biographical sketch detailing his Federal service since 1931, with emphasis on work at State Dept. since 1946. [For our biographical and personality sketch, see Vol. 14:12.]

"I am almost overwhelmed at the extent of my activities," Cross said in sketch, adding: "I have earned the respect of my govt. and industry associates who consider me a capable & honest public servant on whom they can rely for fair & just treatment." It was "voluminous statement," Sen. Pastore (D-R. I.) observed. "Pretty long-winded," Cross said. Sen. Schoepel (R-Kan.) was impressed. "From the technical side, you come very well qualified," he said.

Cross achieved rank of Captain in the Navy in World War II. His job in Naval Communications, he said, "was comparable to that of an operating v.p. of a large worldwide communication organization. Of course, I had considerable help on all this as otherwise it would have been impossible to accomplish a task of this magnitude. However, it was my responsibility and many millions of dollars were expended on my judgment and administration in building the outfit from practically nothing to a highly efficient organization of worldwide scope . . . Few, if any, officers in communications had combined technical and administrative authority of such magnitude as mine."

* * * *

Catechism on Cross' credos and opinions as a public official produced these responses from nominee:

On Congressional intervention: "If any member of

Congress attempts to influence my vote on a matter, I wouldn't take kindly to it, sir." But he wouldn't be "so stand-offy" that he'd object to member of Congress calling on him to inquire about status of any case.

On White House intervention: "It would be identical, sir, absolutely." And he'd feel no overwhelming obligation to White House for appointment—"not from a special favor standpoint, sir, not at all."

On FCC member accepting "honorariums" for speeches: "I think that's a matter of individual conscience. It certainly wouldn't sit well with me."

On public servant accepting "favors which later may embarrass him": "I feel very strongly about that."

On educational TV: "Well, I'm in favor of it." He'd want to know facts of any situation before deciding whether any commercial applicant for unused educational channel should be approved.

On pay TV: "That's something I only know from what I've read in the trade press." But on tests proposed by FCC, "I think the Commission is within its rights, so to speak, to make that decision." On other hand, he has no "preconceived" ideas, thinks advice by Congress on issue should be considered respectfully.

On FCC censorship of programming: "When you get to tinkering with what they're [networks & stations] going to say and what they are going to do, from the standpoint of the Govt., you've reached a pretty sad state of affairs." At same time, he doesn't think present public service programming by networks is adequate. "Public interest is paramount."

On whether FCC should be authorized to regulate broadcasting profits: "I would certainly hope not."

On multiple ownership of stations: "Monopoly is bad, but there are such things as benevolent monopoly." In general, he doesn't oppose newspapers owning stations.

On use of spectrum: "Sooner or later" FCC must have complete study made by "impartial group" to determine whether assigned frequencies are being utilized efficiently by military & industry.

On his personal politics: "Is there any question about my being a Democrat? No, sir."

Harris Hearings Calm Down: A totally different aspect has come over Harris subcommittee's hearings on "improper conduct" of FCC commissioners, as result of this week's brilliant 3-day performance on witness stand of Comr. Rosel H. Hyde, but-tressed by similar presentation by Comr. Robert T. Bartley, which lasted only half day March 28. Comr. Lee takes stand March 31, followed by Chairman Doerfer. Former Chairman McConaughey is scheduled for April 2.

Hearing is off front pages of newspapers, doesn't get much attention inside. But there's more to come. It's doubtful whether there will be anything like the disclosures in Miami Ch. 10 case which led to resignation of Comr. Richard A. Mack, but Harris group eventually is going into Commission decisions awarding Pittsburgh's Ch. 4 (WTAE), Boston's Ch. 5 (WHDH-TV), Indianapolis' Ch. 13 (WLWI). However, if these produce "sensations," it will be even more surprising than the Mack story.

At beginning of Hyde's testimony, he seemed embattled, as subcommittee questions made it appear as if there were something grossly improper in his acceptance of hotel accommodations from NAB groups for making speeches, while taking \$12 per diem from Govt. for other expenses he incurred on trips. Before he was through, however, Congressmen were apologizing all over the place.

Said Harris (D-Ark.): "No one who knows you doubts in the slightest your integrity and honesty. There have been improprieties but no intent to make them. It's just a pattern that has grown up over the years." Earlier, Harris had said:

"I am understanding of the fact that you're distressed over the situation, and appropriately so. You'd like to do what would be proper. I understand your embarrassment. But we look through & beyond these puny issues. Our goal is to establish procedures so govt. officials can proceed without embarrassment."

Just before he got off stand, Hyde said: "This has been a sickening thing. There have been reckless charges. The charges hit the headlines. The answers have less chance to catch up. I'm confident you'll deal with this in perspective and a sense of proportion. I hope you will

look at my actual record. There is no effect at all of friendship, of social contacts. I trust you'll find the charges utterly unfounded."

* * * *

The usually mild-mannered ex-Chairman Hyde was forceful, unhesitant and respectful throughout most of testimony. But his dander was roused when subcommittee counsel Robert Lishman suggested possibility of "penal" offense based on recent opinion of Comptroller General Joseph Campbell—holding there is violation of statutes in accepting free hotel accommodations and taking gov't. \$12 per diem at same time. This ruling, Hyde said, was exactly opposite to 1954 opinion of Comptroller General, under which he had operated. Lishman later said, apologetically, that there was no intention of charging Hyde with anything.

Lishman's demeanor, generally, is quiet, straightforward—in strong contrast to the headline-seeking Dr. Bernard Schwartz, whom subcommittee fired after violent argument.

Total per diem accepted by Hyde on 5 trips investigated by subcommittee was—\$184. Hyde said that he'd be happy to pay it if there's any question of impropriety—"I'm no money grasper"—and that he usually lost money on trips. A teetotaling Mormon, he drew laugh when he told about an industry cocktail party for which host allotted \$22 for his "entertainment." "I had my usual ginger ale," he said.

Subcommittee got nowhere discussing Miami Ch. 10 with Hyde. He said he had never discussed it informally with Mack—except that Mack said "it's a tough case"; that he vaguely recalled meeting National Airlines publicist Milt Dean Hill but never discussed case with him; that only letter of recommendation he'd received was one from former MBS pres. Edgar Kobak who urged Ch. 10 to go to A. Frank Katzentine—which he ignored.

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Hearing got into basic questions when Rep. Bennett (R-Mich.) asked Hyde why it took 14 months for FCC to reach final decision in Ch. 10 case after staff had been instructed to draft decision for National Airlines. Hyde replied delay was unavoidable because of Administrative Procedures Act and 1952 amendments to Communications Act. He urged removal of procedural burdens imposed by latter.

Rep. Wolverton (R-N.J.), still smarting under disclosure by Katzentine attorney Paul Porter last week (Vol. 14:12) that he pushed Commission to give "quickie" grant to Camden, N. J. uhf application, said he was in favor of law or rule making an attorney subject to disbarment if his client tried to use "influence" with FCC or other agencies. He took so much time, was so repetitious, that Harris finally cut him off—and Wolverton pouted from then on. Wolverton also asserted that Gov't. should give officials sufficient funds for trips so that there'd be no excuse for accepting industry hospitality.

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Comr. Bartley was queried about 8 trips. In virtually all cases, Gov't. paid his travel, associations (mostly NAB and its regional groups) paid hotel, and he accepted \$12 per diem for other expenses. Bartley noted that he was an assistant to his uncle Sam Rayburn, House Speaker, when McFarland Bill was considered in 1952; that Congressmen working on bill understood that commissioners could accept "honorariums" for making speeches. He said

he regarded payment of hotel bills as "a form of honorarium." He also reported losing money on most trips.

Bartley noted that the late Sen. Tobey had conducted hearing into manufacturers' loans of color TV sets to commissioners—found no impropriety in it. As for set servicing: "If any manufacturer has been servicing my sets, I'd like to know about it, because I have several on the blink." He said Gov't. shouldn't have to buy experimental sets for commissioners, said there's nothing wrong in accepting sets on loan.

Rep. Flynt (D-Ga.) spoke up for Bartley, asserting subcommittee has "no evidence of impropriety whatsoever." Regarding Miami Ch. 10 case, Bartley said he'd been subject to no pressures. He asked for some legislative help—such as removal of protest rule, removal of "separation of functions" rule—to speed FCC processes. As it is, he said, a TV applicant "gets more due process than a murderer."

There was more to-do in Court of Appeals this week. National Airlines, which previously said it was glad FCC is asking that case be remanded for reconsideration in light of Mack's participation (Vol. 14:11), now asks Court to keep case. Airlines counsel asserted that Commission can review case, change its decision if necessary, without taking it back from Court.

Eastern Air Lines, which tried vainly to intervene in case when it was before Commission, this week asked Court to order FCC to let it intervene if case is sent back.

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Columnist Drew Pearson devoted March 27 column to attack on Comr. Robert E. Lee. Lee wouldn't comment, but his friends are furious, asserting virtually every Pearson charge is disproved by public record. Examples of charges and answers: (1) "He voted to give more stations to the big networks." Actually Lee voted against CBS in St. Louis, voted for deintermixture, favoring uhf, in all 9 cases. (2) "Voted for Senator Dirksen's law firm in Peoria, Ill. after a member of the firm, Charles Caley, had approached him." Caley is pres. of WMBD-TV, no partner of Dirksen's, and Lee voted against him.

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FCC appropriation of \$8,900,000 for fiscal 1959—only \$50,000 less than full budget requested by Administration (Vol. 14:3)—was voted by House this week as part of \$6.549 billion bill for independent offices. Money given FCC by House, which sent bill to Senate, was \$600,000 more than fiscal 1958 appropriation, increase including funds to create 45 additional positions to eliminate backlog of AM radio and safety & special radio services.

The \$50,000,000 aid-to-educational-TV bill (S-2119) introduced by Sen. Magnuson (D-Wash.) last year (Vol. 13:20-21) will be subject of hearings before Interstate Commerce Committee starting April 24. Bill provides for \$1,000,000 for each state & territory for equipment, with states & territories to supply buildings & land, underwrite operations & maintenance. Measure was given slim chance last year, isn't given much more now.

NBC's WRC-TV, Washington (Ch. 4) started broadcasting from new studios on Nebraska Ave. this week, abandoning Sheraton-Park Hotel site. Allied Motion Picture Center Inc. (John T. Gibson, pres.) will occupy quarters vacated by NBC. Norwood Studios Inc. and Washington Video Productions Inc. will open offices with AMPC, which claims it will have most complete movie facilities on East Coast outside N.Y.

Local Service vs. Translators: FCC faces tough policy question that promises to give it considerable trouble: Should translators, which repeat big-city signals, be allowed in small towns at risk of harming small, local conventional stations? So far, Commission's answer has been "yes."

It granted 2 translator CPs in Lewiston, Ida., and they plan to repeat KREM-TV & KHQ-TV, Spokane. Local KLEW-TV (Ch. 3) entered protest; Commission granted protest, set it for hearing, but declined to stop translators from building (Vol. 14:10). This week, KLEW-TV withdrew protest, reluctantly and bitterly, stating:

"Because of the Commission's failure to stay these grants, the proposed translators are now under construction and the Lewiston residents are being urged to purchase uhf receivers or converters for their present sets. Long before this matter could be disposed of by hearing process before the Commission, or the Courts if the Commission's decision should be appealed, the residents of the Lewiston-Clarkston area would have invested a substantial sum of money in uhf receivers and converters. Under these circumstances there would be a very heavy financial loss to the viewers should protestant succeed in its efforts. It scarcely needs to be pointed out that protestant would reap nothing but ill will from such a favorable decision on its protest . . .

"If the principles enunciated by the Commission are to be followed, the gradual demise of local programming in all single-station markets is inevitable. What is more, the chance for evolution in such areas from single to 2- or 3-station operations is nil. These are prospects which should not be taken lightly."

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Deintermixture of Peoria, through removal of Ch. 8, was upheld by Court of Appeals this week. FCC's action had been challenged by WIRL-TV, which won Ch. 8 in comparative hearing, but Judges Prettyman, Fahy & Burger (Burger writing decision) had this to say: "The long range goal of the Commission was to encourage uhf, and removal of potential vhf competition is a rational choice of means to achieve this goal. The short range, or 'interim' goal, was to 'improve the opportunities for effective competition among a greater number of stations.' It was not arbitrary to conclude that the goal would be better achieved in Peoria by allotting it 4 technically

Control of WLOS-TV, Asheville, N. C. (Ch. 13) will be held by Mitchell Wolfson's WTVJ Inc., which already holds 36.9%, according to application filed with FCC. It's paying \$277,940 for 4276 shares (35.26%) held by Charles B. Britt group, to bring holdings up to 72.1%. After transaction is consummated, new owners plan to exercise option, acquired from *Asheville Citizen and Times*, for 4276 additional shares of unissued stock (Vol. 14:10). WLOS-TV licensee Skyway Bestg. Co. has application pending before FCC for sale of radios WLOS & WLOS-FM to C. W. Hogan for \$105,000 (Vol. 14:3). WTVJ interests own 20% of WFGA-TV, Jacksonville (Ch. 12) and 75% of WMTV, Madison (Ch. 33), with sale of latter to owners of KGLO-TV, Mason City, Ia. awaiting FCC approval (Vol. 14:10). WLOS-TV unaudited income statement shows \$541,481 1957 income, \$504,070 expenditures and deductions. Broker for sale of stock by Britt group was Blackburn & Co.

Assn. of Maximum Service Telecasters meets at Biltmore Hotel, Los Angeles, April 27.

equal uhf channels, rather than one superior vhf channel and 2 inferior uhf channels . . . [WIRL-TV's] views were presented [in rule-making proceeding], but were not adopted, and we can see no basis for saying the Commission's decision was beyond its authority, or that the underlying fact findings were not supported by substantial evidence, or that appellant was denied the procedural rights due a protesting party in a rule making proceeding."

More time to build, sought by CP-holder KSLM-TV, Salem, Ore. (Ch. 3), should be denied, examiner Charles J. Frederick stated in initial decision. Grantee got CP Sept. 30, 1953, obtained 5 extensions, then sought to sell to Storer Broadcasting Co. and move closer to Portland. It argued that contract with Storer prevented it from starting construction before March 20, 1957. Frederick wasn't persuaded, said: "An applicant should not be permitted to set up its own 'road block' and then be rationally heard to say that it was unable to go forward." FCC's denial of Storer purchase, he said, "should have been ample warning, or at least a strong portent, that the Commission meant that [KSLM-TV] should go ahead with the construction of the station which the Commission had authorized 3 years previously. . . ."

One applicant for Norfolk's Ch. 13 pulled out—Norfolk-Newport News TV Corp. (Emil J. Arnold, pres.)—leaving 3 to fight it out: WVEC-TV (Ch. 15), WTOV-TV (27) and Virginian TV Corp. (R. R. Richardson Jr., pres.).

Grant of Ch. 13, Alliance, Neb., to Western Neb. TV Inc. (L. L. Hilliard, principal of KOLT, Scottsbluff) was recommended by examiner H. Gifford Irion. Hearing was on question of applicant's finances, which were concluded to be adequate.

CPs granted: Ch. 6, Nampa, Ida., to KYME, Boise (Roger L. Hagadone); Ch. 76 translator, Twentynine Palms, Cal. to Morongo Basin TV Club.

KGUL-TV, Galveston (Ch. 11), recently authorized to shift to Houston, was granted waiver of rules to identify itself as "Houston-Galveston."

Allocations petitions filed: (1) By Paul E. Johnson, Mt. Airy, N.C., to add Ch. 2 to Mt. Airy, substitute Ch. 8 for Ch. 2 in Greensboro, N.C., Ch. 13 for Ch. 8 in Florence, S.C., Ch. 55 for Ch. 2 in Sneedville, Tenn., add educational Ch. 8 to Charleston, S.C. (2) By WWLP, Springfield, Mass., to substitute Ch. 76 for Ch. 75 in Concord, N.H., Ch. 69 for Ch. 74 in Bennington, Vt.

Richard B. Biddle interests will control WOWL-TV, Florence, Ala. (Ch. 15), FCC this week approving stock reorganization under which he now controls 1000 shares of 2000-share issue (half in name of his radio WOWL); John Thompson, his stepfather, buys 250 shares for \$25,000; O. B. Miley increases holdings to 500 shares, including ex-shares of James B. Gambill & G. W. McBurney, paying \$37,500 for total; C. V. Green owns 250 shares.

Hugh Ben LaRue, exec. v.p. & gen. mgr. of KTVR, Denver, (Ch. 2), currently in sales negotiations (Vol. 14:8) is buying radio KHIL, Ft. Lupton, Colo. from orchestra leader Harry L. (Tiny) Hill for \$80,000. Broker: Blackburn & Co.

Call change: KMGH-TV, Minneapolis (Ch. 9) changed to KMSP—FCC seeing "insufficient likelihood of confusion," as charged by KSTP Inc.

Translator starts: W73AA, Palmerton, Pa., also serving Slatedale and Slatington, began March 19 repeating WBRE-TV, Wilkes-Barre.

Another Picture on Wall: While Westinghouse and Syl-
vania work toward putting the TV picture on the wall via
electroluminescence (see p. 13), GE is researching ways to
do it via projection—and in color—at its Schenectady labs.
We learned this from Dr. William Glenn, GE physicist who
described a new projection development this week before
the Optical Society of America in Washington, later con-
ducted news conference.

Dr. Glenn's basic paper showed how colorless, trans-
parent slides can be projected on a screen in color using
system of diffraction gratings. He added, however, that
the technique may have eventual importance in color TV
for both home and theater applications, bringing high
brightness, perfect color register and greater simplicity
to present projection systems.

His system, Dr. Glenn said, would eliminate the color
wheel from the Swiss Eidophor method planned for color
TV projection in theaters, and would eliminate sequential
color and substitute simultaneous color which actually re-
produces a greater part of the visible spectrum than the
ordinary 3-primary system of color TV does.

GE's first step will be to develop a commercial Eido-
phor system for color TV projection using Glenn's system.
This could be marketed in less than 5 years. A smaller
version of Eidophor is now under development for bars and
public places. Color TV projection at home, he said, will
be possible with a still smaller version.

Electronic housekeeping? New RCA pres. John L.
Burns, speaking March 28 at Northeastern U, Boston, in
vein that chairman David Sarnoff is noted for, envisaged
home of future wherein everything will be controlled from
a "Household Electronic Center." For example: "Simply
by pushing a few buttons [it] will set up the family sched-
ule for an entire day: rouse you from your sleep in the
morning, close the windows, start the coffee-maker &
toaster, cook the bacon & eggs, open the garage door,
warm the car. While you and your wife are away from
home during the day [it] will take care of such chores as
washing the dishes, doing the laundry, regulating the heat,
cleaning the house, guarding against burglary and fire,
paying the milkman. When you return home in the eve-
ning, the Electronic Center will see to it that the dinner is
ready and the TV set is tuned in to your favorite pro-
gram."

Canon 35 Contempt: Omaha Circuit Judge James
English faces contempt of court citation by Neb. Attorney
General Clarence S. Beck in state's Supreme Court for
permitting KMTV and its radio KFAB to broadcast part
of murder trial proceedings. Beck cited Canon 35 of
American Bar Assn., banning microphones & cameras in
courtrooms, which was adopted by Supreme Court in 1951
as section in code of judicial conduct. In editorial broad-
cast March 27, KFAB v.p. & gen. mgr. Lyell Bremser
lashed out at "horse-&-buggy" rule, pledged "our moral
support" to Judge English.

Debate over Canon 35. American Bar Assn. interdiction
against cameras in courtrooms, is scheduled for annual
meeting of Ohio Assn. of Broadcasters in Cleveland's Hotel
Carter April 11. Colo. Supreme Court Chief Justice Otto
Moore, who permitted first TV-radio access to murder
trial in Colo., will present case against Canon 35; Chicago
attorney Wayland B. Cedarquist takes other side. Among
other talks at convention: "The Broadcaster and the FTC,"
by FTC Comr. Robert Secrest, former Ohio Congressman.

Network Pacts Rejected: NABET members voted
1057-825 to reject 2-year national contract negotiated by
their leaders with NBC & ABC (Vol. 14:9), according to
nearly complete ballot tabulation at union's Chicago head-
quarters this week. And, in another rank-&-file revolt,
"Caucus of Performers in TV Filmed Commercials" pro-
tested Screen Actors Guild agreement with makers of
commercials which followed strike authorization vote (Vol.
14:10), group complaining that union failed to obtain
re-run payments for "wild spot" commercials. Action by
NABET members forces resumption of parleys to replace
agreement which expired Jan. 31. Meanwhile, SAG served
formal contract-cancellation notice on Republic Pictures &
subsidiary Studio City TV Productions (neither now in
film production) in dispute over failure to negotiate addi-
tional payments to actors for post-1948 features leased to
NBC stations (Vol. 14:4).

Money to operate WOR-TV, N. Y. for educational TV
daytime (Vol. 14:11-12) appears assured, N. Y. state leg-
islature this week approving bill giving educators \$600,000
for TV, sending it to Gov. Harriman. Just how educators
will use facilities is the question, explored in amusing fash-
ion by Jo Ranson in March 26 *Variety*: "The Mafia and
Madison Ave. maneuverings are child play compared to
the intrigue of some intellectual educators currently
finagling to get aboard the N. Y. Board of Regents-WOR-
TV platform . . . Educators have much in common with
the acting profession. They thrive on credits and it's al-
leged that a kinescope of an educational program bearing
the production credits of a metropolitan group could
easily be scuttled in upstate N. Y. on many grounds, but
principally on the 'who-do-the-big-town-educators-think-
they-are-anyway' beef."

TV audience survey in 209 markets, issued this week
by American Research Bureau, includes percentage of TV
homes (with uhf conversion also); stations received in
each market; proportion of homes able to receive each
station; frequency of viewing, and stations viewed most
(with 1st & 2nd preferences) for both daytime and eve-
ning. ARB director James W. Seiler said survey notes all
significant changes in broadcasting facilities, network affil-
iation. New are county-by-county coverage of California
and complete information on community antenna recep-
tion. "A-to-Z" (Abilene to Zanesville) report involved
systematic directory sampling with 200-500 completed tele-
phone interviews in each market.

Community antenna operators lost out this week, in
3rd Circuit Court of Appeals, in their effort to reverse
Tax Court ruling that subscribers' initial payments for
connections should be classified as ordinary income. Tax
Court decision was upheld unanimously. Operators had
argued that initial charges are "contributions to capital."
National Community TV Assn. is polling its board to de-
termine whether to appeal to Supreme Court.

Power increases: WIMA-TV, Lima, O. (Ch. 35) began
programming March 19 with 195-kw. WSAU-TV, Wausau,
Wis. (Ch. 7), which has been operating from new Rib Mt.
site, completed installation of 25-kw RCA transmitter and
boosted power to 316-kw March 21.

Recommended reading: Timebuyers' attitudes toward
program ratings, as disclosed by NBC Spot Sales Opinion
Panel, reviewed in March 24 *Broadcasting* magazine. In-
cludes opinion quotes from 45 agency timebuyers out of
326 replies to survey.

STEREO STRIVING FOR COMPATIBILITY: Big question mark in the future of stereophonic sound is true compatibility -- a system of recording monaural and stereo sound on the same disc, each of which can be reproduced with good quality.

Problem came dramatically to life this week when Columbia Records and CBS Labs demonstrated its new recording system (Vol. 14:12) before a large group of engineers attending IRE convention in N.Y. Reaction was mixed. As an attentive listener, we came away with the impression that stereo was sacrificed in order to achieve high-quality monaural reproduction -- and we weren't alone in this opinion.

It was agreed, however, that a big step forward had been taken toward compatibility. Some found both the monaural and stereo "agreeably pleasant." Still others expressed the opinion stereo is being brought along too fast, needs refinement, more engineering before going on the market. Compatibility was recognized as of prime importance if millions of records now in libraries are not to be made obsolete.

Dr. Peter Goldmark, pres. of CBS Labs and pioneer in the development of LP records, in the manner of ebullient creators, told his listeners Columbia Records would be ready this fall to switch all production to compatible discs. Goddard Lieberman, Columbia Records pres., on the other hand, said a final decision has not been made, that there would probably be period of transition during which duplicate monaural and stereo recordings would be issued. Many of those present doubted stereo ever would take over monaural records as stereo has taken over tape.

If compatible records are an early flop -- or take too long to develop -- the phono makers feel they are protected by "flip-over" cartridges with two needles -- one for 45, 33 & stereo, other for 78. Manufacturers we have contacted plan to play it safe and use "flip-over" cartridges in forthcoming stereo phono lines, not depend on release of compatible recordings.

Chief engineer Wm. Faulkner of V-M, a major supplier of record changers to the phono industry, expressed opinion "perfection in stereophony will not come for some time, but present systems provide pleasant listening."

Week's stereo developments revealed one thing: Disc stereo is on its way to become a great new business in the home entertainment field -- but some inventions must yet be made and much engineering needs to be done before it reaches the state of perfection of which it is theoretically capable.

REMOTE TUNING—NOW A MAJOR TREND: Nearly all major TV set makers will have remote-control tuners in their new lines to show distributors in June. That's for sure now -- and there's no denying credit to Zenith for setting the pace with its "Space Command" unit and its timely and effective promotion. Zenith's round-screen "port-hole" innovation of a decade ago may have been a flop, and its publicity-rich Phone-vision campaign sort of moribund right now, but it really hit the jackpot with its appealing lazy-man's remote tuning device.

Cost seems to be main deterrent to immediate widespread use of "wireless" remote-control tuners, as it was with wired units which it seems also developed too many "bugs" in operation. Moreover, it's not adaptable to old sets. But it now seems that most of the engineering "bugs" have been ironed out.

There's no denying that remote-control has strong customer appeal; that it is a gimmick that helps sell sets, especially the too-slow-moving high-end items.

Its success with remote control may or may not account for unverifiable trade talk that Zenith now is in third or fourth place in unit sales -- after RCA and GE-Hotpoint -- and perhaps running a close race with aggregate private brands including

Silvertone line made by Warwick & Pacific Mercury which also have enjoyed a surprise upsurge in the last year or two. Admiral, Motorola, Philco, Sylvania, Westinghouse still are to be reckoned with and doubtless would dispute the reports. Only EIA knows; it gathers weekly production and sales figures -- but it is honor-bound not even to whisper or hint at figures or relative rankings.

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After hearing such enthusiastic comments on remote-control tuning at the EIA conference last week, we decided to check further into plans for the upcoming TV lines, found that manufacturers who have it will keep it, make improvements; most others will have units in one shape or another -- wired or "wireless," "fork tuner" or "coil," with or without volume control, most with on-off switch, all with channel changer. It's a trend already well established.

Only disparaging comment we heard came from Sylvania which had remote control in its 1957 line, took it out in 1958, doesn't plan to revive it. "Too costly, not enough sales appeal," a spokesman told us.

Trend is definitely away from remote-control units wired to the set. However, some makers, like Allen B. DuMont Jr., mgr. of DuMont Labs receiver div., believe "wireless" types are not yet sufficiently reliable to bring to market. He says, too, wired unit does better job, can't get lost -- or turned into space toy by the kids.

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Big RCA definitely plans to introduce remote tuning in its upcoming line. Just which variety is not disclosed -- but it certainly will operate without wires. Magnavox likewise will have remote-control. Philco, which claims to have been first with wire remote-control in 1950, has engineered several units since that time and is expected to have a new version in June -- probably wireless.

Motorola's v.p. for consumer products marketing, S.R. Herkes, said: "We have wireless remote tuning; we'll continue to have it and may expand on it." Motorola's remote is called "Golden Satellite," uses a coil which sends signal to turn the set on or off, change channels. Zenith's "Space Command" uses tuning fork principle. In addition to on-off and channel changing, it "mutes" sound. GE now has remote control which changes channels only; refinements and additions are in the works. Admiral's "Son-r" is a wireless unit which, we are told, certainly will be continued in new line. Emerson reports working on a "wireless" remote, now has wired unit.

How much does remote-control add to retail price of the set? A substantial amount, yes. However, few if any of the units can be purchased apart from the set so the exact additional cost at retail cannot be computed. Such figures as we were able to get indicated a range from \$40 for the wired version to a top of \$100 for more complicated "wireless" devices.

TV-Radio Production: TV set production was 91,416 week ended March 21 vs. 88,598 preceding week & 129,754 in 1957. Year's 11th week brought production to 1,080,445 vs. 1,264,517 last year. Radio production was 170,655 (40,218 auto) vs. 170,434 (41,942 auto) preceding week & 328,540 (126,352 auto) last year. For 11 weeks production totaled 2,271,039 (754,841 auto) vs. 3,241,321 (1,442,472 auto).

Industry TV sales in 1958 should be 6,000,000 units despite slow first quarter, Motorola pres. Robert W. Galvin told sales meeting this week. He said that back in Oct. Motorola had discounted expectations for first 6 months of this year, lowered sales targets accordingly, was now on course or slightly ahead. "We're not ready to join gloom parade," he said, pointing to distributors' 5% increase in car radio sales, 28% increase in hi-fi, over comparable 1957 periods. He expects 10% April-Sept. increase in portable radio and addition of 700 production workers on TV lines for April, May & June. But there was gloom elsewhere. Current depressed condition of entire appliance

industry should be considered a norm which will continue for years, Chris Witting Jr., Westinghouse consumer products v.p., told Edison Electric Institute meeting in Chicago this week. He said that shortages of consumer goods following World War II created abnormal boom which has been over since 1955; that coming population and income rises will create demand for appliances but won't equal industry ability to produce; that "we must consider that today's market is normal"

Annual convention of Armed Forces Communications & Electronics Assn. scheduled at Sheraton-Park Hotel, Washington, June 4-6.

IRE Emphasis on 'Missiles Era': With electronics now in a predominantly "missiles era," so well described by EIA pres. Dr. W. R. G. Baker (Vol. 14:12 & Special Report), this week's IRE convention in N. Y., attended by some 55,000, with nearly 1200 exhibition booths, gave relatively little attention to "entertainment electronics." Principal exception was stereophonic recording (see p. 11).

Among the few papers scanning the technical TV frontier were 2 on "picture-on-the-wall" or "mural" TV—but both put commercial possibilities years into future.

Dr. Robert M. Bowie, Sylvania research lab v.p., reported successful scanning of flat electroluminescent screen "by means of electronic vertical and horizontal computer circuits into which were built a special circuit for suppressing annoying cross effects otherwise observed." Here's his comment on commercial possibilities:

"We are all painfully aware that the public has demonstrated its unwillingness to pay very much more for an improvement even if the improvement is color. It appears doubtful that the public will pay extra to have its TV as a mural decoration . . . All in all, it appears that the commercial advent of mural TV is not imminent. Before the day of mural TV arrives, however, there will be ample use for the technique of the Sylvatron and similar devices in other forms of data display such as battlefield surveillance, missile tracking, stock market listings and many others where the high speed and low costs of mural TV will not apply."

Frank J. Healy, Sylvania Lighting Products pres., disclosed that first military contract for prototype using "Sylvatron" for automatic target tracking of surface ships had been obtained from U. S. Naval Training Device Center, Port Washington, N. Y.

Westinghouse came up with new flat-screen device nicknamed "Elf"—from "electroluminescent" and "ferroelectric." Novelty of Westinghouse's approach is use of ferroelectric storage & control. Dr. E. A. Sack reported that experimental models ¼-in. thick had achieved brightness 3 times that of conventional screens, with 200-1 contrast. His view of commercialization:

Trade Personals: Marvin G. Whitney, John Stevens, Charles A. Nicholas promoted to new posts of v.p., Hoffman consumer products div. . . . Dr. Robert M. Bowie promoted to v.p. of Sylvania Research labs; Melvin E. Lowe named manager Missile Systems lab . . . Howard Spellman, traffic sales mgr. of RCA International Sales, retires after 50 years . . . B. T. Setchell, pres. of Setchell-Carlson Inc., New Brighton, Minn. TV-electronics mfrs., assumes duties of gen. sales mgr. formerly held by Harold E. Tyler, now on indefinite leave of absence . . . Theodore A. Flynn named to new post of sales promotion mgr., Packard-Bell . . . Nello Coda promoted to chief engineer, Erie Resistor electronics div.; George P. Taylor to mgr. of electrical engineering; Leonard V. Waytenick to superintendent of electro-mechanical div.; Francis R. Young to chief engineer . . . Leon Seldin, ex-IT&T, rejoins DuMont as asst. sales mgr., instrument div. . . . Ray Zipf, ex-Interstate Supply Co., named St. Louis district sales mgr. for Sylvania . . . Deirdre Budge, ex-Parents Magazine, named to new position of

"It should be remembered that commercial TV represents the most demanding application for any solid state display. High picture quality, rapid picture rate and minimum cost are rigid requirements of a commercial device. Therefore, it seems clear that military equipment—including applications which cannot be performed with any present-day conventional devices—will be operating with a solid state screen long before the average American enjoys 'mural size' TV on the living room wall."

TV bandwidth reduction techniques were described by W. F. Schreiber & C. F. Knapp, Technicolor Corp.—as much as 4-to-1, through use of computer coding. So far, they said, only 2 brightness levels have been achieved, but full tone scale is feasible.

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Sylvania got its 110-degree set on market almost twice as fast, using "parallel approach" in planning, as it would have with conventional "sequential approach," according to Robert R. Thalner, Sylvania Home Electronics chief engineer.

With "sequential" method, he said, engineering doesn't start until styling is done. Then procurement & production follow finalization of engineering design. In "parallel" technique, job is broken into components, and all planning goes ahead simultaneously.

Sylvania's planning, Thalner said, put its 110-degree set on market 6 months before anyone else did: "The set's acceptance by the public is history and the slim TV receiver of today was born." He warned, however: "To reap the full benefits from the parallel approach, every related part of your planning program—including suppliers—must be dovetailed. Valuable time can be lost unless your suppliers have a planning philosophy to match your own. No matter how well oriented your planning is, a default by a supplier at a crucial point could very easily disrupt your entire program. Without the daily, and sometimes hourly, contact between responsible managers that this system demands, it would be foolhardy to attempt it."

General Instrument announced an "economy priced" miniature silicon power rectifier. Chairman Martin Benedek said that they can be produced for 40¢-\$1.50 each, compared with \$1-\$20 for present units; that TV receivers alone have "annual sales potential of \$5-\$10,000,000 annually"; that "within 2 years silicon rectifiers would replace other types in virtually every set made."

women's editor, RCA information dept. . . . Alfred H. Tamarin elected a v.p. United Artists Record Corp. & United Artists Music Corp.

George Silber, Rek-O-Kut pres., elected chairman of Institute of Hi-Fi Mfrs., succeeding Avery Fisher, Fisher Radio pres., who remains board member.

Obituary

Paul W. Hessinger, 50, ex-general manager of RCA Victor Mexicana, Mexico City, died in a Philadelphia hospital on March 2 after a long illness. He joined RCA in 1930, served in the Mexican post 1950-1956. Two years ago he transferred to RCA International Div., Clark, N. J., as a financial analyst.

Comdr. Sydnie A. Greenleaf (USNR ret.), 79, who helped develop radio compass, once directed national hook-up of amateur radio operators for Naval Communications Reserve, died at Naval Hospital, Bethesda, Md., March 22. Surviving are widow, 4 daughters.

Financial Reports:

CBS INC. MANAGEMENT is asking its stockholders to vote, at annual meeting April 16 in studio at 49 E. 52nd St., N. Y., against proposal of Mrs. Stella K. Sterne, stockholder, that capital structure be revised to have only one class of directors and that right of cumulative voting now reserved for Class A directors be privileged B group. Seven of each class are to be elected to one-year terms. Company holds present system is working well and sees no reason for change.

There are 4,342,598 of Class A, 3,538,802 of B outstanding. Class A directors nominated, and their holdings: Henry C. Bonfig, v.p., 206 shares A, option on 7831, no B; Louis G. Cowan, pres. of CBS-TV Network, 100 A purchased March 12, 1958, option on 7500 A at \$25 under employment incentive agreement; Arthur Hull Hayes, pres. of CBS Radio, 126 A, option on 8037 A; J. A. W. Inglehart, partner, W. E. Hutton Co., 12,154 A, 4326 B; Robert A. Lovett, partner, Brown Brothers Harriman & Co., 4589 A; Millicent C. McIntosh, pres. of Barnard College, 12 B; Samuel Paley, retired, 21,012 A, 34,691 B.

Class B directors: Arthur L. Chapman, pres., CBS-Hytron, 500 A and option on 7725 A; Ralph F. Colin, counsel, 3154 A; Merle S. Jones, pres., CBS-TV Stations, 100 B, option on 7725 A; Leon Levy, pres. of Delaware River Terminal Inc., 46,236 A, 125,270 B; Goddard Lieber-son, pres., Columbia Records, 206 A, option on 7673 A; William S. Paley, chairman, 126,285 A, 707,108 B; Frank Stanton, pres., 111,517 A, 32,877 B. Chairman Paley's stock represents 2.91% & 19.98%, respectively, of each class, or 10.57% of all outstanding shares of the corporation.

Report discloses that director Inglehart, as agent for recent \$20,000,000 deal for purchase of WCAU-TV, WCAU and related properties (Vol. 13:51), gets \$100,000 fee personally, his firm another \$100,000, if contracts are consummated. It also shows top 1957 officer-director salaries as follows: Bonfig, \$53,230; Chapman, \$62,615; Hayes, \$76,923; Jones, \$94,932; Lieber-son, \$89,999; Paley, \$299,807; Stanton, \$299,807. Law firm of Rosenman, Goldmark, Colin & Kaye was paid \$207,460 for legal services.

* * * *

Storer Broadcasting Corp. holds annual meeting at Miami Beach offices April 8, meanwhile supplements recent annual report (Vol. 14:8) with this report on officer-director 1957 compensations and stockholdings: George B. Storer, chairman, \$75,150 (holds 1,089,140 shares Class B); J. Harold Ryan, senior v.p., \$20,050 (5500 common & 100,000 Class B). Lee B. Wailes, exec. v.p., \$64,017 (13,000 & 150); Stanton P. Kettler, v.p. operations, \$59,017 (11,200 & 150); William E. Rine, v.p., radio operations, \$52,827 (10,000 & 150); George B. Storer Jr., v.p., TV operations, \$41,512 (2000 & 150); Charles V. McAdam, director, \$100 (5000); Mervin B. France, director, no compensation nor stockholdings; John E. McCoy, v.p., planning & finance, and secy., compensation not given, holds 600 & 150.

Twentieth Century-Fox earned \$6,511,218 (\$2.49 per share) in 52 weeks ended last Dec. 28 vs. \$6,198,419 (\$2.34) previous year, consolidated report showing film rentals (including TV) increased to \$117,537,070 from \$112,780,869. Sharp decline was noted in 4th quarter last year, earnings dropping to \$887,360 (36¢) from \$3,016,320 (\$1.14) in same 1956 period.

Percy West, of First National City Bank, N. Y., elected a director of Emerson Radio.

Admiral's first 1958 quarter is down from 1957, but second-quarter upturn should continue through rest of year so that business should make "notable gain" over 1957. This comment by pres. Ross Siragusa highlights 1957 report released this week, reflecting feeling that's general throughout industry. Admiral report shows 1957 sales dropped to \$172,663,167 from \$185,880,606 in 1956, profits to \$965,067 (41¢ per share) from \$1,504,024 (64¢) —consolidated figures including operations of subsidiaries in Mexico, Italy, Brazil, for first time. TV-radio sales, report states, maintained about same proportion of industry total, while home freezers and air conditioners went up in face of industry downturn and defense orders were about same. Canadian Admiral was said to be largest manufacturer of TVs in that country, and half-owned Admiral of Australia also ranks as the top TV set producer in that country.

More top officer-director salaries for 1957, as reported in current proxy statements: Sylvania (stockholders' meeting in Boston's Sheraton Plaza Hotel, April 24)—Donald G. Mitchell, chairman-pres., \$150,000 (owns 3396 shares common); Robert E. Lewis, senior v.p., \$54,069 (8428 shares); Frank J. Healy, senior v.p., \$53,855 (3874); Max F. Balcom, consultant & ex-pres., chairman, \$36,000 under 5-year retirement contract (3600). **Indiana Steel Products Co.** (meeting April 10, Valparaiso, Ind.)—Robert F. Smith, pres., \$54,000 (1128 shares, wife 250); Anthony J. Astrologes, v.p.-treas., \$30,000 (762). **Decca Records** (meeting April 8, N. Y.)—Milton R. Rackmil, pres., \$42,500 and \$125,000 as pres. of Universal Pictures; Leonard Schneider, exec. v.p., & gen. mgr., \$49,000; Samuel Yamin, secy., \$32,500.

Sprague Electric earned \$2,220,101 (\$1.78 per share) on sales of \$46,187,481 in 1957 vs. \$2,176,297 (\$1.75) on \$44,659,844 year earlier, chairman Robert C. Sprague & pres. Julian K. Sprague reporting that "modest gain" reflected small increases in both commercial & military business. However, final quarter last year showed decline from 1956 period because of "sharp curtailment in the procurement of military electronic equipment as well as a degree of softness in the market for entertainment electronics," and reduced operations are expected during first 6 months this year.

Oak Mfg. Co. earned \$1,084,130 (\$1.65 per share) on sales of \$20,875,613 in 1957 vs. \$1,784,105 (\$2.72) on \$24,902,554 in record high 1956. Decline in profits & sales was attributed in annual report to "sharp fall off" in component orders from TV set makers in Nov. & Dec. Defense business ran slightly ahead of 1956, trend expected to continue in 1958, according to chairman Elof Sandstrom & pres. Robert A. O'Reilly.

Amphenol had record high earnings of \$1,686,594 (\$3.02 per share) on sales of \$31,410,903 in 1957 vs. \$1,257,987 (\$2.88) on \$27,318,319 in 1956. Results last year included returns from Danbury-Knudsen Inc., acquired in Aug. (Vol. 13:32).

Avco earnings slipped to \$2,797,723 (30¢ per share) on sales of \$70,580,470 in first fiscal quarter ended Feb. 28 from \$3,119,876 (34¢) on \$83,194,479 year earlier, when comeback from net loss of \$16,387,847 in 1956 was started (Vol. 14:4, 9).

Dividends: Gross Telecasting, 40¢ on common and 7½¢ on Class "B," both payable May 9 to stockholders of record April 25; **Packard-Bell**, 12¢ April 25 to holders April 10; **Warner Bros.**, 30¢ May 5 to holders April 12.

AT&T Settlement Aired: Long-promised Congressional investigation into the 1956 consent decree settlement of the Govt. anti-trust suit against giant AT&T (Vol. 12:4) got underway this week before a House Judiciary subcommittee, amid partisan charges of "favoritism" and "persecution." Nub of the issue—whether settlement did or did not make a vast store of AT&T patents readily available to the industry—was scarcely touched on as company witnesses detailed negotiations leading up to the decree.

Chairman Celler (D-N. Y.) charged that the Govt.'s original purpose—to separate Western Electric from parent AT&T—had not been accomplished because of the "soft attitude" of Justice Dept. Horace P. Moulton, AT&T v.p. & gen. counsel, countered that such divorce was not "justified" and would have been "contrary to the public interest." He insisted, moreover, that the decree was a harsh one; that it "restricts future business activities of the Bell System to furnishing regulated communications services, manufacturing equipment of the type useful in providing these services, and doing work for the Govt." Said he: "There is nothing in existing law that so confines the activities of any other regulated business."

Ranking Republican on subcommittee, Rep. Keating (R-N. Y.), replied to Celler that original complaint "may have asked for much more than Govt. could reasonably expect in court" and "an attitude of intransigence" might have resulted in "no relief at all."

Committee questioning disclosed Defense Dept. "memo" to the Justice Dept. stating that bringing the anti-trust suit to trial would hamper company's defense work by taking too much time of key executives. T. Brook Price, ex-AT&T gen. counsel, testified that, after Defense Dept. intervention, then-Attorney General Brownell suggested the company accept a consent decree.

Investigation is expected to go on for several weeks with strong possibility it may never get around to the merits of the case but confine itself to probing Justice Dept. procedures under Republican administration.

Govt. Eyes Co-op Funds: TV industry's excise tax problems were complicated this week by an Internal Revenue Service proposal to collect excise taxes on certain cooperative advertising allowances. In switch from previous "informal" policy, IRS now seeks to tax the co-op ad pools built up by long-standing industry practice. Proposed rule published in *Federal Register*, March 22 (p. 1931-32) and available from Govt. Printing Office for 15¢, states "any unpublished ruling of IRS, insofar as it is inconsistent with the regulations in this part, is revoked." It gives industry 30 days to file comments or seek public hearing. Subject will be principal topic at meeting of EIA tax committee in Washington, April 1. Chairman Lewis D. Spencer, Motorola, said legal complications are "enormous," expects extensive litigation since tax would cost industry "millions."

Intercontinental TV via satellites is envisaged by President Eisenhower's Science Advisory Committee in "Introduction to Outer Space" report released by White House this week. Citing present transoceanic transmission obstacles, Committee headed by Dr. James R. Killian Jr. said: "To solve this knotty problem, satellites may be the thing, for they can serve as high-flying radio relay stations. Several suitably-equipped & properly-spaced satellites would be able to receive TV signals from any point on the globe and to relay them directly—or perhaps via a second satellite—to any other point." Outer space stations would be powered with solar batteries—"able to keep working for many years."

COMMON STOCK QUOTATIONS

Week ending Friday, March 28, 1958

Electronics TV-Radio-Appliances Amusements

Compiled for Television Digest by

RUDD, BROD & CO.

Member New York Stock Exchange

734 15th St. NW, Washington 5, D. C.

120 Broadway, New York 5, N. Y.

NEW YORK STOCK EXCHANGE

1958					1958				
High	Low	Stock and Div.	Close	Wk. Chng	High	Low	Stock and Div.	Close	Wk. Chng
9 1/4	7	Admiral.....	8 1/2	-1/2	350	300	IBM 2.60.....	345	+1 1/2
22 1/2	19 1/2	Am Bosch .30e.	21 1/2	+1 1/2	32 1/4	29 1/4	IT&T 1.80.....	32	.....
16 1/4	13	Am Bcstg-Para.1	15 1/8	-5/8	41 1/4	36 1/4	I-T-E CirB .45e	38	+1 1/4
37 1/4	32 1/4	AmMach&F 1.60	36 1/2	-1/2	7 1/2	6 1/2	List Indst 1/4e.	7	-1/4
174 1/4	167 1/2	AT&T 9.....	171 1/2	-1/2	43 1/4	36 1/4	Litton Ind.....	41 1/2	-1 1/2
26 1/2	22 1/2	Amphenol 1.20.	25 1/2	+1 1/2	15 1/2	13 1/2	Loew's.....	13 1/2	-1/2
29 1/2	26	Arvin 2.....	27 1/2	-3/8	37	30 1/4	Magnavox 1 1/2b	36	-3/8
7 1/4	5 1/2	Avco .10e.....	6	-1/2	28 1/2	26	Mallory 1.40b..	26	-1/2
25 1/4	20 1/4	Beckm Inst 1 1/4f	23 1/2	+1 1/2	88 1/4	76	Mpls. H'll 1.60a	85 1/4	-3/4
53	44 1/2	Bendix Av 2.40.	48	-1	42 1/4	38 1/2	Motorola 1 1/2..	37 1/2	-2 1/4
32 1/4	28 1/2	Burroughs 1....	30 1/2	-1 1/2	8 1/2	7 1/2	Nat'l Thea 1/2..	9	+3/8
18 1/2	15 1/4	Clevite 1/4e....	16 1/4	-3/4	38 1/2	30 1/2	Paramount 2...	33 1/2	-1/2
29 1/4	24 1/2	CBS "A" lb....	27 1/2	-1 1/2	17	12 1/2	Philco.....	16	+1/2
28 1/4	24 1/2	CBS "B" lb....	27 1/2	-1/2	35	30 1/4	RCA la.....	32	-1 1/2
16 1/4	12 1/2	Col Pictures 3/4t	14 1/4	+1/4	24 1/2	21 1/2	Raytheon 1 1/4t.	24	+1 1/2
35	27 1/2	Cons Elec. 40...	33 1/2	-1/2	7 1/2	5	Republic Pic....	6	-1/2
25 1/4	19 1/2	Cons Electron...	26 1/2	+1 1/2	34 1/2	32 1/4	Sang Elec 1.80.	32 1/2	-1/2
16 1/2	13	Cor-Dub .20e..	13	-1	16 1/2	13 1/4	Siegler .80.....	13 1/2	-1/2
85	74 1/2	Corning Glass la	84	-1 1/2	3 1/2	2 1/4	Spartan.....	3 1/2	+1/2
3 1/2	3	Davega.....	3 1/2	+1/2	20 1/2	18	Sperry Rand .80	18	-1/2
35	30	Daysstrom 1.20.	33	+1 1/2	8 1/4	6	Standard Coil..	7 1/2	+1/2
16 1/4	13 1/2	Decca 1.....	14 1/4	+1/4	16 1/4	14 1/2	Stanley War 1..	16 1/4	+3/8
21 1/2	14	Disney .40b....	19 1/2	-1 1/2	32	29	Staw Warner 2b	29 1/2	-3/4
106 1/2	97 1/2	East Kod 1.55e.	105	+1 1/2	24 1/2	20	Storer Bcstg 1.80	22 1/2	-1/2
34 1/2	29	Emer Elec 1.60.	33	-1/2	37 1/2	31 1/2	Sylvania 2.....	36 1/2	-1/2
8 1/2	7	Emerson Radio..	6	+1/2	30 1/2	26 1/2	Texas Instru...	30	+1/4
65 1/4	55 1/4	Gen Dynamics 2..	57 1/2	-1 1/2	55 1/2	41 1/2	ThompProd 1.40	44 1/2	-1 1/2
64 1/4	59 1/2	Gen Electric 2..	60 1/2	-3/8	26 1/2	23 1/4	Tung-Sol 1.40b.	25	-1 1/2
6	4 1/2	Gen Inst. .15g..	6 1/2	+1 1/2	25 1/2	21 1/2	20th-C-Fox 1.60	24	-1/2
41	34 1/4	GenPrEquip 2.40	36 1/2	-1 1/2	20 1/2	15 1/2	United Art 1.40	20	+1/4
30	25	General Tire .70b	25	-1 1/2	22 1/2	19	Univ. Pict la...	21 1/2	+1 1/2
43 1/4	40 1/2	Gen Telephone2	42 1/2	+1/2	19	16 1/2	Warn Bros 1.20.	19 1/4	+3/8
24 1/2	21	Hoffman Elec 1.	24 1/4	+3/8	65 1/2	60 1/4	Westing El 2...	62	+1/4
					151	120 1/4	Zenith 3a.....	147	-3 1/2

AMERICAN STOCK EXCHANGE

3 1/2	3	Allied Artists..	3 1/2	+1/2	2 1/2	2 1/2	Hazeltine 1.40b.	33 1/2	-1/2
45	34 1/2	Allied Con la..	40 1/2	-1 1/2	4 1/4	3 1/4	Herold Ra .20..	2 1/2	+1/2
15 1/2	13 1/2	Amr Electro 1/2	14	+1/4	6 1/4	4 1/4	Int Resist .20..	4 1/2	+1/4
9 1/2	8 1/2	AssocArtProd..	9 1/4	+1/4	7	5 1/2	Lear.....	4 1/2	-1/4
9 1/2	7 1/4	Audio Dev .05d.	8 1/4	-3/2	7 1/2	5 1/2	Muntz TV.....	1/2	.....
10	7 1/2	Belock Inst 1/4t.	8 1/2	-3/2	7	5 1/2	Muter Co. 1/4t.	3	-1/2
1 1/2	1/2	C & C TV.....	3 1/2	+1/2	7	5 1/4	Nat'l Telefilm..	5 1/4	-1/2
3 1/2	2 1/2	Ciorostat .15g..	3 1/2	.....	1 1/2	1	Nat Union El...	1 1/2	+1/2
4 1/2	3	DuMont Lab....	4	.....	6 1/2	2 1/2	Norden-Ketay..	3	-1/2
4 1/2	2 1/2	Dynam Am.....	3 1/2	-1/2	3 1/2	3	Oxford El.10r..	3	.....
13 1/2	10	Electronic Com.	12 1/2	-1/2	8 1/2	6 1/2	Philips El.....	14	+1
7 1/2	6 1/2	Electronics Cp..	7	-1/2	6	3 1/2	Servomech .40.	7 1/2	-1/2
31 1/2	19 1/2	Fairch Cam 1/2g.	24 1/2	+1 1/2	6	3 1/2	Skiatron.....	3 1/2	-1/4
24 1/2	17 1/4	General Trans..	21	-3/4	4 1/2	3 1/2	Technicolor....	3 1/2	.....
		Globe Un .80...	15 1/2	-1/4			Trans-Lux .20g.	4 1/2	-1/2
		Guild Films....	2 1/2	-1/2					

OVER THE COUNTER AND OTHER EXCHANGES

(Latest Available Data)

	Bid	Asked		Bid	Asked
Advance Ind.....	1 1/2	2 1/4	Magna Theatre..	2 1/2	3
Aerovox.....	5	5 1/2	Maxxon (W. L.) .05	5	5 1/4
Airborne Inst..	41 1/4	44	Meredith Pub 1.80a	30 1/4	33
Altec Co .80...	7 1/2	8 1/2	National Co. (4 1/2 stk)	11 1/4	13
AMP Inc .50...	18	19	Oak Mfg. 1.40..	13 1/4	15
Ampex.....	55 1/2	60	Official Films .10	1	1 1/2
Baird Atomic..	7 1/2	9	ORRadio.....	18 1/2	19 1/2
Cinerama Inc..	1 1/2	1 3/4	Pacific Mercury TV	5 1/4	6
Cinerama Prod.	1 1/2	2	Packard-Bell .50.	12	13
Cohu Electronics	6 1/2	7 1/2	Panclit.....	5 1/2	5 1/2
Collins "A" .35	12	13	Perkin-Elmer...	24 1/2	26
Collins "B" .35	12	13	Philips Lamp (14% of par)	34 1/4	36
Cook Elec. 40d	17 1/2	18 1/2	Reeves Soundcraft (stock)	2 1/2	3
Craig Systems..	4 1/2	5	Sprague Electric 1.20	30	33
DuMont Bcstg.	7 1/2	9	Taylor Instrument 1.20	28	30
Eitel-McCullough (5% stk)	26 1/2	29	Tele-Broadcasters	2 1/2	3 1/2
Elec Assoc (stk)	34 1/2	37	Telechrome .30.	8 1/2	9 1/4
Erie Resistor .40b	6 1/2	7	Telecomputing..	4 1/4	4 1/4
Friden Ind. 1..	47 1/2	50	Teleprompter (stock)	6	7
Giannini G. M..	14 1/2	15	Time Inc. 3.75..	61 1/2	65
Granco Products .05	1 1/2	1 1/2	Topp Industries (stock)	9 1/2	10 1/2
Gross Telecasting 1.60	17	18	Tracerlab.....	5 1/4	6 1/4
Hewlett-Packard	22 1/2	24	Trav-Ler.....	1 1/2	1 1/2
High Voltage .10g	30	31	United Artists..	5	5 1/2
Hycon.....	2 1/2	3	Varian Associates	15 1/2	16
Indiana Steel Products 1.20a	18 1/4	19 1/4	Victoreen Inst..	4 1/2	5
Jerrold.....	1 1/2	2	Webcor .15e...	13	13 1/4
King Industries..	2 1/4	2 1/2	Wells-Gardner..	7 1/4	8
Leeds & Northrup .60b	20 1/2	22	WJR Goodwill Station .50d	11 1/4	12 1/4
Machlett Labs .25g	15 1/2	16 1/2			

Rates of dividends in table are annual disbursements based on the last quarterly or semi-annual declaration. Unless otherwise noted, special or extra dividends are not included. a Also extra or extras. b Annual rate plus stock dividend. d Declared or paid in 1957, plus stock dividend. e Declared or paid so far this year. f Payable in stock during 1957; estimated cash value on ex-dividend or ex-distribution date. g Paid last year. h Declared or paid after stock dividend or split-up. k Declared or paid this year, an accumulative issue with dividends in arrears. p Paid this year, dividend omitted, deferred or no action taken at last dividend meeting. r Declared or paid in 1958, plus stock dividend. t Payable in stock during 1958, estimated cash value on ex-dividend or ex-distribution date. y Liquidating dividend.

Network Radio—No Time for Requiem

BY ROBERT W. SARNOFF

President, National Broadcasting Co.

UCH IS BEING WRITTEN about the parlous state of network radio. A financial and programming retrenchment by one radio network has touched off speculation on the precarious future of *all* radio networks. In the sense that this speculation ventilates the true facts of network radio's lean financial position, it is helpful; in the sense that it implies a new crisis facing the networks generally, it is harmful because it is incorrect.

I can speak with some authority on the relationship of trouble to network radio. Since 1953, the NBC Radio Network has had a cumulative loss of about \$9,000,000. In one particularly grim year, our losses totalled more than \$3,000,000. Since radio's salad days of the late '40s, we have gone through countless organizational changes in the radio network, through severe cost-pruning exercises, through repeated crises meetings with affiliates, through endless ventures into new programming—always with the goal of finding an operational pattern that would permit radio network survival in the age of television.

New Awareness of Radio's Values

To me personally, the current talk of crisis seems strangely outdated. If it were 3 to 5 years ago, I could better relate it to our own experience. Then, many network affiliates were at the breakaway point. Most of our major sponsors had pulled out; radio salesmen couldn't get a foot in the doors of the bigger agencies; the network's annual dollar volume was melting away to nothing.

But today all this is changed, not only with NBC but with network radio as an entity and as a concept. There is a new philosophical awareness of its values, which is reflected in the amount of interest it stimulates, and a practical awareness which is reflected in a tangible intake of dollars. Radio salesmen walk about Madison Avenue today like men reprieved. They can discuss million dollar deals with key executives without apology for star gazing. Most of the advertising giants who underwrote the radio networks in their pre-TV heyday are now back in, although not in the massive fashion of a decade ago.

True, the major radio networks are on record that they lost money last year. But the important consideration, at least as it relates to NBC, is that our loss was substantially less than that of the previous year. For the first time since 1953, the loss graph reversed direction, and the reversal continues at an accelerated pace into this year. We are now talking about a break-even point without rubbing a rabbit's foot when we do. I believe we will reach it, and soon.

Why The Renewed Confidence

Several things have happened in the last 18 months to give me this confidence. In August of 1956, I put a new and youthful management team in the radio network headed by Joe Culligan, then 38 years old, a salesman with a missionary belief in the power of salesmanship and with an inborn desire to sell iceboxes to Eskimos. The problem facing him, to sell some of the then current program product against the power and glamour of TV, was even more challenging than iceboxes. As a first step, Joe and his associates revamped the product—top, middle, and bottom.

They established a strong news-on-the-hour operation,

and a unique hot-line service to handle news flashes; they introduced a morning program lineup of broad commercial appeal; they created a *Stardust* plan at night which lured the greatest stars of TV back into radio as a profitable sideline. They freshened up *Monitor* with new program inserts. They threw out most of the old selling concepts and introduced a flexible pattern that let radio pick up the nickels-&-dimes left over from TV, plus fresh money attracted by the tremendous cumulative radio audience that could be reached at hard-to-resist cost.

Above all, they conceded the living room to television—and fashioned an image of radio as a companion in the kitchen, on the beach, in the car, at summer camp.

As these programming and sales concepts began leaving their imprint, the new management took a further step on the comeback trail at our affiliates' meeting last year in New York. With a bluntness unusual in any business relationship, we told our radio affiliates a basic decision faced them: If they wanted to maintain the NBC Radio Network service, they would have to carry more of our programs in network option time and on a more systematic basis. A national network lives by its national circulation. If it hasn't that circulation to sell to national advertisers, it can't exist.

Affiliates Asked to Choose

We asked the affiliates to weigh this decision in terms of their own self-interest, but on a long-range basis. By 1960, there probably will be 4000 radio stations [there are now about 3200 AMs, 580 FMs] in the United States of which only a few hundred can expect to be network affiliates. These are the stations, we maintained, which will stand out like beacons in their communities; these are the stations that alone will have the distinctive plus of reliance on, and identity with, the worldwide programming resources of a national network.

So the choice facing them was to go the jukebox station route—in which case the network couldn't survive—or stay with the network and build for the long-term future as part of a communications network that not even TV can rival in totality of national coverage and its speed of communicating with *all* the people.

The response to that meeting was dramatic. Clearance of our network programs has since increased an average 15%. With the additional circulation thus delivered, national advertisers have found the NBC Radio Network an increasingly valuable buy. As sales have increased, compensation to the stations has increased. The amount of money we are paying NBC radio affiliates has quadrupled over 2 years ago.

I am consciously a little boastful in recounting the progress of the new radio management. It has, without exaggeration, snatched NBC Radio back from the Potter's Field of broadcasters. It has also given new vitality to the concept of network radio as a national communications instrument and as an effective vehicle for national advertising.

My primary concern therefore is that an occasional failure of a programming concept, with the inevitable losses involved, not be interpreted as confirmation that all network radio is on the skids. It isn't.